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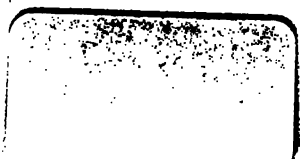
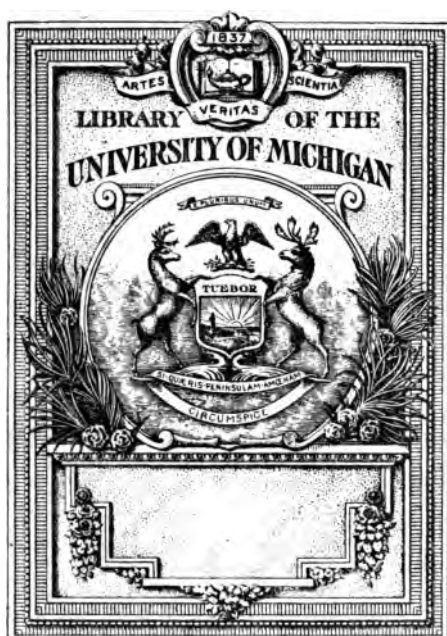
STATISTICAL REORGANIZATION

REPORT OF A COMMITTEE APPOINTED BY
THE SECRETARY OF COMMERCE AND LABOR
TO INQUIRE INTO THE STATISTICAL WORK
OF THE DEPARTMENT * * * * *
AND STATEMENTS OF WITNESSES BEFORE
SAID COMMITTEE * * * * *

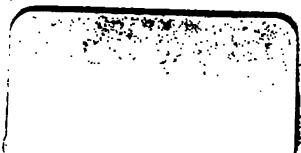
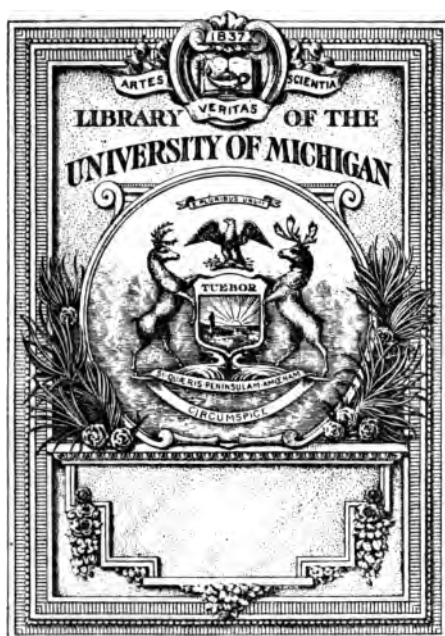
MARCH 2, 1908



WASHINGTON * GOVERNMENT PRINTING OFFICE * 1908



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PART I

**REPORT OF COMMITTEE ON STATISTICAL
REORGANIZATION**

STATISTICAL WORK OF THE DEPARTMENT OF COMMERCE AND LABOR.

Part I.—REPORT OF COMMITTEE ON STATISTICAL REORGANIZATION.

WASHINGTON, *March 2, 1908.*

SIR: On September 20, 1907, you appointed the following committee to examine critically into the statistical work of this Department: Lawrence O. Murray, Assistant Secretary of Commerce and Labor, Chairman; S. N. D. North, Director of the Census; Herbert Knox Smith, Commissioner of Corporations; Charles P. Neill, Commissioner of Labor, and O. P. Austin, Chief of the Bureau of Statistics.

Prof. Edwin R. A. Seligman, Columbia University; Prof. J. W. Jenks, Cornell University, and Mr. H. Parker Willis, Washington, D. C., were invited to act in an advisory capacity to the Committee, and consented to do so.

The report herewith submitted is a joint report representing the views of both the Departmental Committee and the Advisory Committee.

NATURE OF INQUIRY.

The nature of the inquiry was defined in the following order:

DEPARTMENT OF COMMERCE AND LABOR,
OFFICE OF THE SECRETARY,
Washington, September 20, 1907.

DEAR SIRs: Section 4 of the organic law establishing the Department of Commerce and Labor provides in part that "the Secretary of Commerce and Labor is hereby given the power and authority to rearrange the statistical work of the bureaus and offices confided to said Department, and to consolidate any of the statistical bureaus and offices transferred to said Department; * * * and said Secretary of Commerce and Labor may collate, arrange, and publish such statistical information so obtained in such manner as to him may seem wise."

Under the authority conferred upon me by the section above quoted, you are hereby appointed a committee to examine critically into the

statistical work of this Department with a view to making it more accurate, if possible, and at the same time avoid duplication, if any exists, and to effect a saving of expense to the Government in the compilation and publication of statistics.

You are directed to consider the question whether it would be wise to consolidate the Bureau of Statistics (which was transferred from the Treasury Department at the time of the organization of this Department) with and make it a part of the Bureau of the Census, which was made a permanent Bureau under earlier legislation, and, when this Department was created, was attached to and made a part of it.

In an inquiry of this kind, several subjects or classes of subjects must be dealt with: The class of work done by each of the bureaus mentioned; whether the work of these bureaus is closely related; whether duplication in the work exists; whether there is proper coordination between related subjects, if there be any; and if such coordination exists, whether it results in the issue by these bureaus of figures that are consistent with each other.

You are also directed to inquire into the whole statistical work of this Department, to see whether proper coordination exists among the several branches.

I think it wise that you should have the advice of distinguished economists and statisticians relative to this inquiry, and I have accordingly requested the following-named gentlemen to act in an advisory capacity to you: Prof. Edwin R. A. Seligman, Columbia University, New York, N. Y.; Prof. J. W. Jenks, Cornell University, Ithaca, N. Y., and Mr. H. Parker Willis, Washington, D. C. Each of these gentlemen has signified his willingness to do so.

It is my wish that Assistant Secretary of Commerce and Labor Lawrence O. Murray be chairman of the committee. I should like to have this work immediately undertaken and a report embodying your recommendations submitted to me at the earliest practicable date.

Respectfully,

OSCAR S. STRAUS,
Secretary.

TO LAWRENCE O. MURRAY, *Assistant Secretary of Commerce and Labor*; S. N. D. NORTH, *Director of the Census*; HERBERT KNOX SMITH, *Commissioner of Corporations*; CHARLES P. NEILL, *Commissioner of Labor*; and O. P. AUSTIN, *Chief, Bureau of Statistics*.

The Committee held its first meeting on October 8, 1907, and commenced immediately the taking of testimony, which continued for a period of four weeks. Over thirty witnesses either testified in person before your Committee or submitted their views in writing. A list of the names and official titles of these witnesses is attached to and made a part of this report.

Your Committee has critically examined the work and publications of both the Bureau of Statistics and the Bureau of the Census, and also the statistical work and publications of the other bureaus of the Department engaged in gathering, compiling, and publishing

statistics. After a careful consideration of this work and of the testimony, we have the honor to submit the following report and recommendations:

PROPOSED CONSOLIDATION OF BUREAU OF STATISTICS WITH BUREAU OF
THE CENSUS.

The propriety or advantage of consolidating the Bureau of Statistics with the Bureau of the Census depends primarily upon the character of their work and secondarily upon broad principles of administrative organization. There are six or more bureaus in the Department of Commerce and Labor in which important statistical work is either the direct object of their organization or necessarily involved in the performance of their duties. Statistical service is, however, the primary function of the Bureau of Statistics and the Bureau of the Census.

The Bureau of Statistics compiles and publishes the statistics of both foreign and domestic commerce. The statistics relating to our foreign commerce embrace tables showing imports and exports of merchandise, and of gold and silver, respectively, by countries and by customs districts; the inward and outward transit trade by countries and by customs districts; imported merchandise warehoused, withdrawn from, and remaining in, warehouses; imports of merchandise entered for consumption, giving both the quantity and value, with the rates of duty and the amounts of duty collected on each article or class of articles; the inward and outward tonnage of all vessels, whether American or foreign, engaged in our foreign trade, and the countries whence entered and for which cleared, distinguishing the nationalities of the foreign vessels engaged in this trade. The Bureau also collects and publishes information in regard to certain leading commercial movements in our internal commerce. All of the information for these statements, with the exception of that relating to the statistics of internal commerce, is supplied to the Bureau by customs officers on forms furnished by the Department for that purpose. The Bureau of Statistics also publishes annually the Statistical Abstract of the United States, a compilation of miscellaneous statistical information.

The work of the Bureau of the Census covers the statistics of a very wide range of subjects, the most important of which are the decennial enumerations of the population, agriculture, manufactures, and mining of the nation. In the interval between the decennial censuses it compiles the statistics of the defective, dependent, and criminal classes; of the wealth, debt, and taxation of the country; of transportation by water; of fisheries; of religious bodies—all of them decennial inquiries; quinquennial reports on manufactures and

on the electrical industries, including street railways; and annual reports on the statistics of cities, vital statistics in registration areas, and on the production and the consumption of cotton (the former obtained from semimonthly reports of the ginneries during the harvesting season). In addition to this regular work, the Bureau is constantly required, either by act of Congress or Executive order, to collect and compile statistics on many miscellaneous subjects, such as marriage and divorce, criminal judicial statistics, the executive civil service, the annual lumber cut, etc. It now compiles the Official Register of the Government service. It was required by law to tabulate the census of the Philippine Islands, as taken by the War Department, and has recently taken, by Executive order, a census of the new State of Oklahoma, and now is about to tabulate the new Cuban census, also by Executive order. This statement does not exhaust the wide and varied field of the Bureau's activities, but it is worthy of note that its field of investigation does not touch actual commerce and trade, in the sense that these statistics are handled by the Bureau of Statistics, except in an incidental manner, as in the cotton reports.

In determining the advisability of the consolidation of the Bureau of Statistics with the Bureau of the Census, only the main lines of the work of the two bureaus should be considered: the subordinate and incidental duties of each should be disregarded. Your Committee finds that each of these bureaus has a distinct field of work, somewhat sharply differentiated in its character, and calling for a different organization.

The Bureau of Statistics compiles monthly current reports of commercial movements. Its statistics have a continuous character, and represent the movement of trade, with its increases and decreases from month to month and from year to year. The work of the Bureau of the Census, on the other hand, is chiefly confined to compiling statistics at intervals of ten years or five years; and the facts ascertained are intended to show conditions only at particular and comparable dates. Thus the work of the two bureaus is fundamentally different in a most important respect.

In the statistical service of the Government, as in all the executive branches of the Government, there should be the most effective coordination of work and an elimination of unnecessary duplication. As between these two bureaus, however, there is no duplication, and the differences in the nature of the work render it inexpedient to consolidate them.

A further objection to the union of the Bureau of Statistics with the Bureau of the Census is to be found in the general nature of statistics. We do not propose to enter here upon the much-mooted question as to whether statistics is a science or simply a method. It may be that there are certain general rules which pertain to the pre-

sentation and interpretation of statistics of all kinds; and if by science we mean a discipline which seeks to elucidate such general rules, statistics may be called a science. But it is incontrovertible that for all practical purposes statistics are indissolubly bound up with the phenomena which it is sought to present in a statistical form. From this point of view there are as many kinds of statistics as there are broad classes of social and economic phenomena; and so far as the agencies of government deal with these phenomena they are split up into what we call departments. We accordingly find that in the United States, as well as in all other countries, each governmental department publishes, and seeks to interpret, statistics more or less appropriate to its own activities; and that even within departments the separate bureaus frequently deal with a great mass of statistics which are peculiar to themselves.

This development is perfectly explicable when it is remembered that in order to secure the best results the statistics must be collected, arranged, and interpreted by those who not only are acquainted with the general methods of statistics, but who have a special knowledge of the particular phenomena to be dealt with. Economic and social phenomena are so manifold, intricate, and subtle that only the specialist in each class of phenomena can be expected to know even what the problems are. Without an appreciation of the problems, and without an intimate, minute acquaintance with all the details, it is clearly hopeless to expect a proper collection, classification, or interpretation of the statistics themselves. The more minute the knowledge of the expert specialist, the more satisfactory will be the statistics.

Hence, while it goes without saying that the statistician must be versed in the general methods of statistics, it follows that a certain amount of specialization is indispensable. The Bureau of Statistics of the Department of Commerce and Labor has indeed been misnamed, for it is only one of several bureaus dealing with statistics; but the field which it covers is a specific one, and from the point of view of the moderate specialization that is desirable nothing would be gained and much might be lost by amalgamating it with the Bureau of the Census.

We therefore do not recommend that the Bureau of Statistics be consolidated with the Bureau of the Census.

CONSOLIDATION OF BUREAU OF MANUFACTURES WITH BUREAU OF STATISTICS.

Many of the witnesses called attention to the intimate relationship between the duties of the Bureau of Statistics and the Bureau of Manufactures. A study of the laws relating to the two bureaus indi-

cates that Congress intended that the latter Bureau should discharge important functions that had been assigned to the former in earlier legislation. Your Committee is convinced that the consolidation of these two bureaus into one would adequately accomplish the purpose of Congress, would dispense with a superfluous bureau, and would provide an effective means of meeting a serious problem now confronting the Department of Commerce and Labor.

In the remarks which follow, the Committee does not intend to reflect in any way upon the conduct of either of the bureaus whose consolidation is recommended. We desire to emphasize two points—first, that it is impossible that two bureaus shall exist in one Department of the Government with duties so nearly identical without producing confusion, division of effort, and cross purposes; and, second, that by combining these two bureaus into one, and concentrating under one control all their closely related functions and separate energies, the Government will gain a unified, correlated, and homogeneous service and will lose nothing. A saving in cost would also be made, especially in subclerical service, but the amount would not be considerable. Instead of one strong, fully organized, aggressive bureau, in which are concentrated all the facilities of the Department for the promotion of foreign trade, there are now two small bureaus, both inadequately equipped, and discharging functions in many respects similar. Their operations under these conditions necessarily result in scattered effort, in more or less conflicting work, in much confusion in the public mind, and often in haphazard results.

We are agreed that, over against the overwhelming argument in favor of the consolidation recommended, there is not a single valid argument that can be advanced in opposition to it. In making this statement we eliminate wholly the personal equation. We assume that in the determination of an important administrative question, such as this undoubtedly is, the effect upon individuals must be entirely disregarded.

When the Bureau of Manufactures was established, Congress apparently overlooked the fact that it was assigning to it many duties which, under earlier laws, had been specifically assigned to the Bureau of Statistics while that Bureau was attached to the Treasury Department. There is but little that can be done by the Bureau of Manufactures which the Bureau of Statistics is not equally authorized to do, under laws which have never been repealed. At the same time the Bureau of Statistics retains the most important function that appertains to the promotion of American commerce—the handling of the statistics of our export and import trade. As was well said by several witnesses, these statistics are the tools with which a bureau charged with such promotion must necessarily work. Only through the study of these statistics can the points and directions be

determined where American export trade can be increased and extended. No bureau can properly understand these statistics, analyze their significance, and realize their suggestiveness except by actually compiling them—by studying and presenting them in connection with all the other data from domestic manufacturers, from consular reports, and from every other source of information which are simultaneously in its possession.

For example, the consular reports can only be accurately and effectively edited in immediate and intimate association with the compilation of the statistics of exports and imports. The one work illumines, explains, supplements, and, above all else, checks and verifies the other. We have had numerous instances of the contradictory results which follow from the compilation of such intimately related data in two separate bureaus.

Again, the press analyses of the export and import statistics, indicating the growth of our foreign trade in this or that industry or country, which issue semiweekly from the Bureau of Statistics, would be proper and necessary contents of the daily publication of the Bureau of Manufactures entitled "Consular and Trade Reports," in which they now never appear. These analyses throw much light upon the progress and present conditions of our foreign trade; and yet they are excluded from the official publication devoted to that specific object because compiled by a different bureau. This arbitrary division of a homogeneous work tends to nullify and obstruct the efforts of the Department to promote foreign trade.

The occurrence of statistical errors in our consular reports has attracted much attention and is injuring the reputation of a publication otherwise worthy of commendation. Since the publication of the consular reports has been detached from the Bureau of Statistics there has been no provision for a trained statistician in the Bureau of Manufactures to handle the extensive statistical material which occurs in them, and which is far from being accurate, owing to the fact that some of our consuls lack statistical training. By keeping the statistical service and the publication of the consular reports apart the chief advantage which this Department could have over the Department of State in the publication of such reports is lost.

Much criticism has followed from the fact that the law creating the Department detached from the Treasury a bureau which handles data supplied exclusively by Treasury officials, and from the State Department another bureau which handles material supplied exclusively through State Department officials. The gain in efficiency expected from these detachments is not attainable except by bringing the work of these two bureaus together, to be carried on under one guidance, which should coordinate and harmonize them, and so increase the effectiveness of both. The existing adjustment not only

nullifies the letter of the law, but, what is of far greater practical importance, defeats the whole purpose which Congress had in view.

Both the Bureau of Statistics and the Bureau of Manufactures are in daily receipt of numerous inquiries relating to foreign commerce which in many cases can be answered only by consulting the files of both bureaus. The consolidation of the intelligence branches of the two bureaus would do away with this constant and needless duplication of work and result in a more prompt and efficient service to the public.

Another serious duplication of labor and expense appears in the libraries which the two bureaus are building up along the same lines.

To remedy all these defects and bring this branch of departmental work to a fuller effectiveness, the great requirement is unity and concentration; a bringing together, under one efficient management, of all the tools, facilities, and resources of the Department bearing upon the subject of foreign trade. The need for a reorganized Bureau of Foreign and Domestic Commerce increases rapidly with the expansion of our trade abroad. When Congress calls for information relating to our foreign trade, it should find concentrated in one bureau a body of trained technical experts able to put at its disposal all the information in the possession of the Department on every phase of foreign trade, foreign tariffs, foreign commercial regulations, and the whole great subject of international trade.

The practical effectiveness of such a bureau is proved by the actual experience of other great commercial nations, some details regarding which are set forth in the recently published report on "Promotion of Foreign Commerce in Europe and the United States," by Mr. N. I. Stone, the tariff expert of the Department of Commerce and Labor. The United States is the only important commercial nation which does not maintain either a large bureau or a complete department to discharge the functions which will fall, under this recommendation, to the consolidated bureaus.

Congress undoubtedly supposed it was supplying this very need when it passed the law creating the Department of Commerce and Labor. It unquestionably made it possible to do so by the provision of section 4 of the organic act, under which the whole problem was relegated to the Secretary of Commerce and Labor.

Immediately upon the organization of the Department on July 1, 1903, a statistical commission was appointed by the Secretary for the purpose of studying the whole question of the reorganization of the statistical work of the Department as contemplated by section 5 of the organic act. This commission appointed a subcommittee, consisting of Carroll D. Wright, then Commissioner of Labor, S. N. D. North, Director of the Census, and O. P. Austin, Chief of the Bureau of Statistics, which subcommittee reported a plan of reorganization

substantially along the lines of the present recommendation. The report of the committee went into the subject exhaustively, and stated some of its conclusions in the following language:

The committee therefore recommends that the commission report to the Secretary that the Bureau of Statistics, with which is consolidated the Bureau of Foreign Commerce (transferred from the State Department), *be consolidated with the new Bureau of Manufactures, thus making one bureau instead of three, said bureau to be renamed the Bureau of Foreign Commerce.*

Much of the field specifically assigned by law to the Bureau of Statistics has now been assigned by law to the Bureau of Manufactures, and the two fields, as thus defined, are so closely identical that it seems both unnecessary and undesirable, in view of the large discretion confided in the Secretary, to attempt to make such a division, or to maintain two bureaus with functions which are the same to all intents and purposes.

The proposed Bureau of Foreign Commerce will become, under such a consolidation, a more dignified and important bureau of the Department than either of the two bureaus would be as separate organizations. Its chief will naturally divide its work into divisions, to which will be committed the several branches of the work which can be harmoniously carried on without overlapping when all of this work is under the immediate eye and control of a single bureau chief.

One of these divisions, which would be the Division of Trade Statistics, would discharge the main duties now performed by the Bureau of Statistics, namely, the compilation of the export and import returns.

Another division, which might perhaps be called the Division of Foreign Commerce, would handle the consular reports and other sources of information regarding foreign commerce and its extension into new markets.

A third division—perhaps the most important—which might be called the Division of Publicity and Information, would naturally handle all the new work originally contemplated by the act of Congress in that provision of the law which establishes the Bureau of Manufactures. The field of this division will necessarily be a matter of growth, but that its functions will gradually develop in important directions is not to be doubted. It will become at once a bureau of information for the general public.

Your Committee invites attention to the following extracts from the testimony taken at the hearing just concluded:

Statement of Maj. John M. Carson, Chief of the Bureau of Manufactures:

Now, if you will let me, I would like to summarize what I have said, if I have said anything of consequence. I feel this way in regard to these two bureaus: I have not the least doubt that if they are under the same rule, or if they were put together and coordinated in some way, it would add to economy and efficiency; but I believe that whatever may be done in that regard they will be distinct organizations. They might be under one direction, but they would be distinct.

Statement of Mr. O. P. Austin, Chief of the Bureau of Statistics, made immediately after the statement by Major Carson :

Q. Mr. Austin, you were a member of a former statistical committee whose report has been made a part of the record?—A. Yes.

Q. May I ask, in this connection, if you still entertain the views expressed in that report?—A. Of course, those views were expressed before the Bureau of Manufactures was organized——

Q. That is true.—A. And I felt a little greater liberty in expressing views upon that point than I do now, since the Bureau has been organized. But I have seen no reason to change my general opinion as expressed at that time.

It will be seen that the report above quoted anticipated the conclusions which your Committee has reached; and we feel justified in adding that the experience of the four years which have since intervened confirms the conclusions of the original committee. The situation to-day is quite as unsatisfactory as that of four years ago. We believe that the time has come when the radical step then recommended should no longer be postponed.

Your Committee therefore recommends that the Bureau of Manufactures and the Bureau of Statistics be consolidated into one bureau, and that the bureau thus formed be called the "Bureau of Foreign and Domestic Commerce."

STATISTICS RELATING TO INTERNAL COMMERCE.

The statistics of internal commerce as published by the Bureau of Statistics consist of four distinct statements: (1) The domestic commerce of the Great Lakes; (2) the movements of certain articles of domestic commerce on the ocean frontage; (3) the concentration of the principal domestic products and articles of commerce at great interior primary centers, and their movement thence toward the seaboard as they are received or as transformed at the point of concentration; and (4) the commercial movements on certain rivers and canals of the country. Including the annual appropriation of \$4,000, the clerical assistance, and the printing, these statistics are costing about \$25,000 a year.

Your Committee believes that there is a public demand for statistics relating to our internal commerce, but the demand is, of course, for complete and adequate statistics, or, if these are impossible, then for those approaching a reasonable degree of adequacy. The need for such statistics is doubly emphasized by the projects for the improvement of our system of internal waterways, the wise application of funds for which is dependent upon a knowledge of the distribution of commerce. The statistics of internal commerce, as published by the Bureau of Statistics, are, however, extremely unsatisfactory, because of lack of authority to require proper statements from those able to supply information on this subject and a lack of force to

properly gather and compile such information, and do not afford even a reasonable basis for making an estimate as to the total movement of our internal commerce. In several instances the Government has had occasion to use these figures in special investigations, and it has found them very inadequate. The statistics published by the Government are regarded as a standard, not only in this country but abroad, with reference to the subjects of which they treat. They should be published in such form only as to warrant this confidence, and those relating to internal commerce should, if possible, be so arranged as to harmonize in some respects with the statistics of import trade, with a view to tracing the distribution of staple imported commodities to the principal points of consumption. Again, they should be so classified and arranged as to permit comparison with the figures for exports, in order that exports may easily be subdivided according to places of origin.

The internal commerce of a country is fundamentally important to its welfare and is the foundation of its external commerce. This is especially true of the United States. So varied, moreover, are our geographical and climatic conditions that the changes which are continually taking place in the value, the direction, and the extent of our internal commerce will be of even greater significance in the future than they now are. For this reason the same attention ought to be devoted to the statistics of internal commerce as to those of foreign commerce.

Three possible plans for collecting statistics of domestic commerce present themselves: The first is to transfer to the Interstate Commerce Commission the entire work relating to the collection and publication of statistics of internal commerce. This we dismiss as undesirable, because there ought to be one place where the statistics of internal commerce can be compared with those of foreign commerce; and this place is manifestly the proposed Bureau of Foreign and Domestic Commerce in the Department of Commerce and Labor. The second plan is to limit the collection and interpretation of transportation statistics to the Department of Commerce and Labor. To this the Interstate Commerce Commission would probably for many reasons object. There remains a third plan, which is to have the statistics of internal commerce collected both by the Department of Commerce and Labor and by the Interstate Commerce Commission, and to have each utilize them for its own purposes, cooperating at every practicable point in their collection and compilation. This last plan has the indorsement of your Committee.

The Division of Statistics of the Interstate Commerce Commission already collects physical and financial statistics as well as operating statistics of railroads, and it has in contemplation, we believe, the

collection also of commercial statistics of transportation, which would relate primarily to tonnage, the character of the commodity, the origin of the commodity, the destination of the commodity transported as freight—in short, all those items which pertain to the commercial geography of the United States so far as that is reflected in transportation. The statistical returns which the corporations acting as common carriers are required by law to make to the Interstate Commerce Commission could with very little trouble be amplified so as to include these new statistics. On the other hand, the Department of Commerce and Labor has at present no authority to enforce the collection of such statistics.

There is no reason to suppose that an undue burden would be imposed upon the common carriers if the statistics which they prepare were required to be made in duplicate, one copy to be forwarded to the Department of Commerce and Labor and one to the Interstate Commerce Commission; there is every reason to hope and to believe that there would be a close cooperation between the Bureau of Foreign and Domestic Commerce and the Interstate Commerce Commission, so as to avoid unnecessary duplication and friction, and it is entirely possible that some such arrangement might be worked out between the Department of Commerce and Labor and the Interstate Commerce Commission as is now in existence between the Department of Commerce and Labor and the Treasury Department for the collection of the statistics of foreign commerce.

The Bureau of Foreign and Domestic Commerce in the Department of Commerce and Labor ought, however, to be empowered to collect the statistics as well as to interpret and publish them, because experience has demonstrated that there can be no thorough-going interpretation without some power over the methods of collection.

We therefore recommend that in the reconstituted Bureau—under whatever name it be known—there be a Division of Domestic Commerce with sufficient resources and authority to insure the collection and publication of adequate and complete statistics on this most important subject, and we also recommend that Congress be asked to appropriate a sufficient sum of money therefor.

DIVISION OF TARIFFS.

Possibly no subject of legislation is more vital in its relation to the development of our manufactures and of our commerce than that of tariffs, both those of the United States and those of foreign countries. In Europe great importance is attached to this work, and our present handling of this subject could not stand comparison with that of countries like Great Britain, Germany, etc. In our country, so far, we have depended chiefly upon the English translations of the foreign tariffs issued by the International Bureau at Brussels. These trans-

lations are often late, and they fall very far short of supplying the information especially required by American manufacturers and merchants regarding foreign tariffs as they exist and the proposed changes in those tariffs. Moreover, our State Department is at times negotiating treaties with foreign countries in which the question of reciprocity, or at any rate of tariff changes, arises. In all such negotiations, with our present equipment, our Government is at a great disadvantage. Other leading countries publish all the information furnished by the International Bureau several months before that bureau is able to do so. Furthermore, through their commercial attachés and their foreign legations, through their traveling commercial agents, and through their experts in their home offices, who keep familiar from day to day with current literature, they are able to send information to business men and to furnish information to their governments regarding pending tariff legislation in foreign countries, so that they may anticipate possible changes far enough in advance largely to protect their interests.

In view of the rapid growth of our foreign commerce, and especially of the effort to develop this foreign trade as rapidly as possible, it is extremely desirable that this tariff division be rendered as efficient as possible. We therefore recommend that there be created a new Division of Tariffs with equipment sufficient to enable it to carry on its work in a manner suitable to the importance of the subject.

According to the above plan, the reconstituted Bureau of Foreign and Domestic Commerce would consist of four main divisions:

1. The Division of Foreign Commerce.
2. The Division of Domestic Commerce.
3. The Division of Consular Reports.
4. The Division of Tariffs.

STATISTICAL COMMITTEE.

While we have heretofore called attention to the desirability of specialization in statistical work, we can not refrain from pointing out that in some respects the specialization has been carried too far in the United States. The chief evils which have resulted from an excessive specialization and separation in this country have been frequent duplication of results, the lack of uniform methods where uniformity is desirable, and the frequent lack of harmony in the use of statistical terms or principles which ought to be common to all forms of statistics. These defects can best be overcome by some form of cooperation. A joint or cooperative committee, to consist of a representative from each of the Executive Departments and independent Government establishments, ought to be formed by Executive order. Such an interdepartmental committee might be called a "statistical committee."

Committees of this kind have frequently been recommended by international statistical congresses, and such committees now in existence in several European countries have done admirable work. The duties of such a committee, if established, should be deliberative and advisory rather than executive. A good example of such duties is that of the Central Statistical Commission, established in France by the decree of 1855. The significant parts of this decree are as follows:

A statistical commission is hereby established in the Department of Finance. Its powers are advisory and it shall be entitled to give advice:

1. Regarding the sources, methods, schedules, and instructions which are to be used in the various statistical offices, as well as regards the provisions for securing uniformity in statistical publications.

2. Regarding the preparation and publication of the *Annuaire Statistique de la France*, which contains the summary of official statistics.

3. Regarding the plans for and the publication of results of new statistical inquiries.

4. Regarding the relation between French statistical offices and those of foreign countries.

The specific duties which would naturally attach to such a statistical committee would be as follows:

- (a) To make recommendations with a view to eliminating unnecessary duplication of work and conflicting results.

- (b) To make recommendations with a view of utilizing the statistical material in one branch of Government work, with reference to the needs or aims of other branches.

- (c) To make recommendations with a view of establishing uniform definitions of statistical terms. The present system makes uniform definitions impossible.

- (d) To make recommendations with a view of introducing uniform methods.

- (e) To make recommendations in regard to schedules and accompanying instructions relative to any new line of statistical inquiry; to study the needs of the various bureaus and Departments from time to time and above all to test the results achieved, and to investigate whether they are in harmony with each other and modern statistical methods and practice.

- (f) To make recommendations regarding the preparation and the place of publication of the Statistical Abstract of the United States.

Such a joint or cooperative body would involve no additional expense; it would promote uniformity of statistical methods and results; it would prevent duplications; it would render possible closer cooperation; and it would tend to keep the statistical work of the Government abreast of the most modern methods. For these rea-

sons we recommend the creation by Executive order of an Interdepartmental Statistical Committee.

SUMMARY OF RECOMMENDATIONS.

Briefly summarized, the recommendations of your Committee are:

1. That the Bureau of Statistics be not consolidated with and made a part of the Bureau of the Census.

2. That the Bureau of Manufactures and the Bureau of Statistics be consolidated into one bureau; and that the bureau thus formed be called the Bureau of Foreign and Domestic Commerce.

3. That the Division of Domestic Commerce of the new Bureau of Foreign and Domestic Commerce be enlarged and strengthened, and that Congress be asked to appropriate a sum sufficient to insure the collection, the presentation, and the publication of more complete and adequate statistics of internal commerce.

4. That there be created within the new Bureau of Foreign and Domestic Commerce a separate Division of Tariffs, with duties as indicated above.

5. That an Interdepartmental Statistical Committee be formed under the jurisdiction of the Secretary of Commerce and Labor, said committee to be created by Executive order and to consist of a representative from each of the Executive Departments and independent Government establishments.

Respectfully submitted.

LAWRENCE O. MURRAY,
Assistant Secretary of Commerce and Labor,
Chairman,

S. N. D. NORTH,
Director of the Census,

HERBERT KNOX SMITH,
Commissioner of Corporations,

CHARLES P. NEILL,
Commissioner of Labor,

O. P. AUSTIN,
Chief, Bureau of Statistics,

Committee on Statistical Reorganization of the Department.

Approved in every particular:

EDWIN R. A. SELIGMAN,
Columbia University, New York, N. Y.

J. W. JENKS,
Cornell University, Ithaca, N. Y.

H. PARKER WILLIS,
Washington, D. C.

To Hon. OSCAR S. STRAUS,
Secretary of Commerce and Labor.

PART II

STATEMENTS OF WITNESSES BEFORE THE COMMITTEE ON STATISTICAL REORGANIZATION

**Part II.—STATEMENTS OF WITNESSES BEFORE THE COMMITTEE
ON STATISTICAL REORGANIZATION.**

FIRST DAY.

TUESDAY, October 8, 1907.

The committee met at 9 o'clock a. m. in the office of the Assistant Secretary of Commerce and Labor.

Present: Hon. Lawrence O. Murray (chairman), Hon. S. N. D. North, Hon. Herbert Knox Smith, Hon. Charles P. Neill, Hon. O. P. Austin, and Prof. H. Parker Willis.

The chairman read the following preliminary statement :

Under section 4 of the act approved February 14, 1903, establishing the Department of Commerce and Labor, authority is conferred upon the Secretary "to rearrange the statistical work of the bureaus and offices confided to said Department and to consolidate any of the statistical bureaus and offices transferred to said Department; and said Secretary shall also have authority to call upon other Departments of the Government for statistical data and results obtained by them; and said Secretary of Commerce and Labor may collate, arrange, and publish such statistical information so obtained in such manner as to him may seem wise."

Acting under authority of the above provision, the Secretary, on September 20, 1907, appointed the following committee to examine into and report to him whether or not the Bureau of Statistics of this Department should be transferred to and consolidated with the Bureau of the Census: Mr. Lawrence O. Murray, Assistant Secretary of Commerce and Labor, chairman; Mr. S. N. D. North, Director of the Census; Mr. Herbert Knox Smith, Commissioner of Corporations; Mr. Charles P. Neill, Commissioner of Labor; Mr. Oscar P. Austin, Chief, Bureau of Statistics. In addition to the above-named officials of this Department, the following-named gentlemen have been requested to advise with the committee regarding its report: Prof. Edwin R. A. Seligman, Columbia University, New York, N. Y.; Prof. J. W. Jenks, Cornell University, Ithaca, N. Y.; Prof. H. Parker Willis, George Washington University, Washington, D. C.

Dr. George C. Havenner, Chief of the Division of Printing, is also present at my invitation, and will sit with the committee during its hearing of testimony.

STATEMENT OF MR. ARCHIBALD BLUE,

*Chief Officer, Census and Statistics Office, Department of Agriculture, of
Ottawa, Canada.*

The CHAIRMAN. We have with us this morning Mr. Archibald Blue, chief officer of the census and statistics office, department of agriculture, of Ottawa, Canada. He has very kindly consented to

come before the committee this morning and tell us how the statistical work of Canada is done.

Mr. BLUE. Do you ask me to make a statement or to answer questions?

The CHAIRMAN. I wish you would tell us in your own way, in as much detail as you will, what the statistical organization of your country is.

Mr. BLUE. The early practice in Canada was for each department to take charge, prepare, and publish the statistics relating to its own sphere of work, and to a considerable extent that is still the practice. The first census of the old Provinces of Upper and Lower Canada, now Ontario and Quebec, respectively, was taken in the year 1841, or rather it was taken for the Province of Ontario in 1841 and for Quebec in the following year, as, owing to some misunderstanding of the statute, the work in Quebec was only partially done in the first year. From that time censuses of these provinces were taken decennially until the Confederation of 1867, when the maritime provinces were brought into the union—that is to say, New Brunswick and Nova Scotia. Prince Edward Island was not brought in until five years later. Then provision was made by a general act for the taking of a census of the whole Dominion in the first year of each decade. The scope of that census is much like your own. It covers the same subjects and pretty much in the same way, although not quite so fully. About two years ago an act was passed to organize a permanent census office, and it covers the two branches of census and statistics. The office is called the census and statistics office. It also takes in some other branches of statistics, more particularly criminal statistics; and, indeed, any other subjects may be undertaken by the office. We have taken a census of the manufactures of the country since the general census of 1901. It was taken last year for the calendar year 1905, and we are taking this year a census of the agricultural statistics of the older provinces of the Confederation—Ontario, Quebec, New Brunswick, Nova Scotia, and Prince Edward Island. We took last year, under a special provision of the act, a census of the population and agriculture of the provinces of Manitoba, Saskatchewan, and Alberta.

Mr. NORTH. Do you do all the statistics of agriculture that are done in the Dominion?

Mr. BLUE. Yes; but there are statistics collected by the provinces. For instance, the Province of Ontario has in its department of agriculture an office for the collection of agricultural statistics and for the publishing of crop reports from time to time during each year. That was established in 1882, based in part on the crop-reporting system of the United States.

Mr. NORTH. Do you do anything in the line of crop reporting in your bureau?

Mr. BLUE. Not yet.

Mr. NORTH. Do you anticipate doing anything in that line?

Mr. BLUE. Yes. A part of my object here is to inquire into your system, and to ascertain if any new methods have been adopted, and if any improvements have been made. I was here in 1881 and examined your system then with a view of organizing the bureau of industries in the Province of Ontario, which was done, and we have continued to the present time. But in several other departments of the govern-

ment the statistics relating to the departments are carried on. For example, in the treasury department (the finance department, as we call it) all the statistics relating to finance are prepared and published annually.

Mr. NORTH. Exports and imports?

Mr. BLUE. No; the financial statements—the receipts and expenditures of government—in a volume of perhaps 250 pages. These reports have been continued from the Confederation down. In the department of railways and canals there is also an effort made to prepare and publish statistics of transportation. That work was recently reorganized. It was found to be very unsatisfactory. An officer has been put in charge of it, and he is at work this year for the first time in bringing out improved tables.

The department of customs also prepares its own tabular reports. Trade and navigation tables are dealt with in that department, and they have a special bureau in charge of the work which, in addition to the annual statements, brings out monthly statements of imports and exports.

Mr. AUSTIN. Then none of the trade reports are prepared by your bureau?

Mr. BLUE. No. I may say that for the Year Book of Canada we endeavor to present tables relating to the work of all the departments.

Mr. NORTH. Does your bureau publish the Year Book?

Mr. BLUE. Yes.

Mr. NORTH. How long has that been published?

Mr. BLUE. The Year Book has been published, I think, since 1885.

Mr. NORTH. Was that transferred to your bureau when the bureau was made permanent?

Mr. BLUE. Yes. Mr. Johnson was the old statistician of the department and he retired on superannuation two years ago. Then his office was attached to the office of the census. We prepare summary tables in considerable detail on all subjects relating to the Government of Canada that are tabulatable.

Mr. NORTH. Who publishes the statistics of education?

Mr. BLUE. The statistics of education are published by the provinces.

Mr. NORTH. Not by the Dominion Government?

Mr. BLUE. Not by the Dominion government. Education appertains exclusively to the provinces.

The CHAIRMAN. Let me understand you, Mr. Blue, upon that point. All the statistics that were capable of tabulation prior to the consolidation of the bureau of statistics with your bureau were tabulated and published by your so-called bureau of statistics, which has now been merged or consolidated with your census office?

Mr. BLUE. Yes.

Mr. AUSTIN. Did the bureau of statistics prior to that time publish the figures of foreign commerce?

Mr. BLUE. Yes.

Mr. AUSTIN. But, as I understand you, that is not now conducted by your office?

Mr. BLUE. Well, only as it is required for the Year Book.

Mr. AUSTIN. Yes; but I mean the statistics of imports and exports, monthly and annual.

Mr. BLUE. Yes. They are prepared in the first instance by the minister of customs, and then there is the department of trade and commerce, which also prepares and publishes statements relating to the trade of the country, which are nearly identical with the tables of the department of customs. I have no right to express an opinion, but I think it is useless duplication of work. Perhaps it is better done in some respects.

Mr. AUSTIN. You think that the work is almost necessarily done by the customs department?

Mr. BLUE. Well, the original publications—not necessarily.

Mr. AUSTIN. Since they must keep a record for commercial and financial purposes?

Mr. BLUE. Yes. They publish yearly reports, and their tables for the most part relate to the business of each year, but the reports of the department of trade and commerce go back over a long series of years—go back to the period of confederation—and are comparative, to a large extent, for that period.

Mr. AUSTIN. But you said you thought something was a useless duplication. What I meant to ask was, if there is a duplication, and one section of that work were to be suspended in order to avoid duplication, then by whom must the work be carried on?

Mr. BLUE. I suppose the necessity is imposed on each department to see that its own statistics are prepared.

Mr. AUSTIN. And the customs department would necessarily maintain a record of its own statistics?

Mr. BLUE. Oh, yes; I think so; that is, unless provision were made for some special office to do the whole work of the statistics of the government.

Mr. NORTH. Would you believe that would be good policy?

Mr. BLUE. Well, it would be a pretty large undertaking. The work, I think, would be better done if it were in charge of a capable man assisted by a staff of good men. There would be a better uniformity in the preparation of tables if they were so prepared. As it is, each department has its own ideas on the preparation of statistics, and I doubt if it is done with the same good care that would be possible under another arrangement.

You know, of course, that many years ago in England a commission of the best men in the public service was appointed to consider the whole question of statistics; and although the several departments continued to carry on their work as before, the commission agreed upon certain schedules which were to be followed from year to year. They adopted a method—

Mr. NORTH. A method of uniformity?

Mr. BLUE. A method of uniformity, from which there is no departure. One of the evils of the present system is that every new minister or every new officer thinks he can improve on the work of the previous one.

Mr. NORTH. That is, in Canada?

Mr. BLUE. In Canada. I think in every country it is likely to be so. And the comparative values of the figures are sometimes destroyed in that way. In the English revenue department there are also records of statistics published every year.

Mr. AUSTIN. You speak of the effort in England to study the question of statistics and of the fact that general methods of uniformity have been adopted. That is rather in the direction of coordination than consolidation, is it not?

Mr. BLUE. Oh, yes; coordination.

The CHAIRMAN. Mr. Blue, have you examined the publications of the Bureau of Statistics of this Department to any extent?

Mr. BLUE. Well, I generally go over them. I would not be prepared to express an expert opinion of them. I would not like to do so without more careful study of them.

The CHAIRMAN. Without going into a discussion as to the collection and publication of these statistics, do you think it would be possible, considering the nature of them, to have them collected, compiled, and published by the Bureau of the Census, as now organized, as well as by the Bureau of Statistics?

Mr. BLUE. Oh, yes; I think it could be done. You would require a very capable man at the head of the work, and I have no doubt that you have a very capable man in your Director, as you have also in Mr. Austin. It is possible for one office to carry on the work of statistics of all departments. I don't know how practicable it is.

Mr. SMITH. Mr. Blue, when you say that, do you mean that you think it is possible for one office to carry on the work of collecting original facts for all branches of statistics, or merely that one officer shall collate and summarize facts gotten by other offices?

Mr. BLUE. It would be necessary, of course, for the respective departments to furnish the original information.

Mr. SMITH. That is a very important point in my mind—the difference between the getting of the original data and the compilation of them.

Mr. BLUE. Yes.

Mr. SMITH. You would not, then, I take it, see so much practicability in consolidating the getting of the original data?

Mr. BLUE. I think it is indispensable that the original data should be gathered by the departments attending to the business. No one else can know the details.

Mr. SMITH. The consolidation would be the second step?

Mr. BLUE. Yes; and perhaps more in the form of abstracts than of full details.

Mr. SMITH. For instance, the Year Book you speak of. That is a compilation of a secondary nature, the original data being furnished from other sources?

Mr. BLUE. Yes; it is put into the form of a handbook, not a bulky volume or a score of bulky volumes. It is designed for practical use.

The CHAIRMAN. I suppose it approaches our Statistical Abstract of the Bureau of Statistics, does it not?

Mr. BLUE. Yes; largely.

Mr. NORTH. Is it a book of about that size [indicating "Organization and Law"]?

Mr. BLUE. No; it was about that size, but there was complaint that it was too bulky.

Doctor NEILL. How many bureaus or departments are there in Canada that publish statistics?

Mr. BLUE. There is the census and statistics office to begin with, the department of finance, the department of customs the depart-

ment of trade and commerce, the department of inland revenue, the department of railways, and to some extent the militia department, corresponding with your War Department.

Mr. SMITH. Pardon me just a moment, Mr. Blue. You are enumerating now departments and offices that collect original statistics?

Mr. BLUE. Yes.

Doctor NEILL. Do these departments all publish their own statistics?

Mr. BLUE. Yes; I may say also the department of justice prepares and publishes criminal statistics.

Mr. NORTH. I thought you said your bureau did that?

Mr. BLUE. We do to a certain extent. We receive from the judges, magistrates, and judicial officers throughout the Dominion reports of matters disposed of, and these are published in an annual report.

Mr. NORTH. By your office?

Mr. BLUE. By our office; but the department of justice also prepares general statistics relating to the penitentiaries.

Doctor NEILL. Are any of these statistics gathered for the purpose of publication; that is, is the gathering of the statistics the primary work of the bureau or department, or are the statistics, you might say, a by-product? For example, take the case of the courts. They convict men and the record is there. It is simply a question of tabulating those records. That is one kind of statistics. Then there is another kind, in which you go out and collect statistics. They do not exist in any such records as that.

Mr. BLUE. The only original statistics that we collect are for the census.

Doctor NEILL. In the case of these other departments, then, their statistics are simply the records that are made anyway? They are simply put together, tabulated, and published?

Mr. BLUE. Yes; but they are published in the annual reports of the several departments.

Mr. NORTH. Where is your bureau of labor? In what department is that located?

Mr. BLUE. Well, that is another in which there are statistics. The department of labor is attached to the post-office department.

Mr. NORTH. They have some annual statistics too, have they not?

Mr. BLUE. Yes; and the post-office department has its own statistics.

Doctor NEILL. Mr. Blue, you said you thought that if the preparation and publication of those statistics were carried on in a single bureau, say the bureau of the census, there would be certain advantages to follow. What do you consider those advantages would be?

Mr. BLUE. The general advantage would be uniformity of method.

Doctor NEILL. Would that be the only advantage, in your opinion?

Mr. BLUE. It would be possible also to economize very considerably.

Doctor NEILL. Are there any disadvantages that you could see in such a practice?

Mr. BLUE. No; assuming that you get the man.

Mr. AUSTIN. In what way do you think there would be an economy—unless, of course, there is a duplication?

Mr. BLUE. If there is no duplication the work would be done under one head and the same staff of clerks.

Mr. AUSTIN. If there is no duplication, would there be any economy in having the work done in one bureau?

Mr. BLUE. Yes; I think so. If there is no duplication, it would certainly be economy.

Mr. AUSTIN. If no duplication exists now, would you say there would be economy in the matter of expense by bringing your various statistical works into one department?

Mr. BLUE. Yes; I think so; but so much depends on the organization of the office. It would be a difficult undertaking.

Doctor NEILL. Did I understand you, Mr. Blue, to say that there were no bureaus except the census bureau whose main work was the gathering of statistics?

Mr. BLUE. Except the census office. The bureau of labor also collects original statistics.

Doctor NEILL. Has it agents who give their time to that work?

Mr. BLUE. Yes. It has correspondents all through the country. They do not collect many statistics.

Doctor NEILL. Are these all collected by correspondents?

Mr. BLUE. For the labor bureau?

Doctor NEILL. Yes. Are those statistics all collected by correspondents?

Mr. BLUE. Largely. The labor bureau with us deals largely with labor troubles—with strikes and lockouts—and they endeavor to settle these strikes.

Mr. NORTH. It fixes what they call a fair wage also, does it not?

Mr. BLUE. Yes.

Mr. NORTH. Only on government work?

Mr. BLUE. Only on government work.

Mr. AUSTIN. Wages for private work are not fixed by government?

Mr. BLUE. No; not for private work, but they are for public contracts. An officer is sent out who collects information on the rate of wages in each locality where a contract is to be let. He reports to his minister. When the contract is let, it is let subject to the rate of wages prevailing in the locality.

Mr. SMITH. Mr. Blue, is there any collection by the Dominion government of the statistics of internal commerce in Canada?

Mr. BLUE. No; I regret to say there is not, excepting as they are furnished by the railways and the vessels.

Mr. SMITH. What is furnished by the railways?

Mr. BLUE. Well, it is a pretty long schedule and I would not undertake to say.

Mr. SMITH. What is it generally?

Mr. BLUE. The quantities of goods carried by the railways from point to point.

Mr. SMITH. Do they give merely general tonnage or do they classify the goods?

Mr. BLUE. They are classified in the office if they are not classified by the railways themselves. I think the schedule makes a classification.

Mr. SMITH. So you can tell how much coal they carry and how much lumber, and so on?

Mr. BLUE. Yes.

Mr. SMITH. Is it done with any completeness at all?

Mr. BLUE. It is done with more completeness in the case of grain than with any other product, especially from the Northwest to the seaboard.

Mr. SMITH. Do you think that covers, then, the entire statistics of grain transportation in Canada?

Mr. BLUE. No; I do not think it does. They are talking now of revising their statute and reconstructing their schedule, and I think there is very considerable scope for improvement.

Mr. SMITH. Is that done under a compulsory statute or merely by the voluntary action of the railroads?

Mr. BLUE. It is made under the provisions of the railway act, and of course is mandatory.

Mr. SMITH. To whom are those statistics reported—the railway commission?

Mr. BLUE. No. They have reported heretofore to the minister of railways and canals. There is talk now of a revision and of transferring the work to the railway commission.

Mr. SMITH. You spoke also of statistics of internal commerce gotten from the navigation lines.

Mr. BLUE. They are reported to the minister of railways and canals.

Mr. SMITH. Where do they get the statistics? Take, for instance, the Welland Canal. I presume they take the tonnage there?

Mr. BLUE. Oh, yes.

Mr. SMITH. And at other places?

Mr. BLUE. Yes; at the Soo. All the canals are required to furnish records of the business done on them.

Mr. SMITH. Is there any record taken at any other places where there are not artificial improvements like the canals or locks—for instance, at Quebec?

Mr. BLUE. I am not positive as to that. My impression is that at Quebec and Montreal the statistics are gathered by boards of harbor commissioners.

Mr. SMITH. That would apply mostly, I presume, to foreign commerce?

Mr. BLUE. Yes.

Mr. SMITH. Now, take any of the internal commerce that would not go outside of the Dominion. Are there any waterway statistics collected on that?

Mr. BLUE. I think not. I am not sure.

The CHAIRMAN. Of course the general objection to the collection of internal-commerce statistics is the clerical help and the annoyance in getting freight started, and so on. That is always urged as a reason why they should not be collected. I suppose the reason why your grain statistics are so complete is because it is easy to bill on the long haul.

Mr. BLUE. Yes; and all the grain of the Northwest is inspected.

The CHAIRMAN. I see; and graded?

Mr. BLUE. Inspected and graded, and the reports are made to the department of trade and commerce.

Professor WILLIS. I understood you to say that you thought there would be some economy if all these statistics could be put together in a single office. Was I right in that?

Mr. BLUE. Yes; under certain conditions.

Professor WILLIS. I would like to know whether that economy would be produced through the elimination of heads of different bureaus and the saving of their salaries, or whether there would be a real economy in the number of clerks employed in collecting these statistics, or whether the economy could be had from the use of more tabulating machinery of that kind.

Mr. BLUE. Well, of course you would have more efficiency in the work—in the laboring work and the skilled work. I do not imagine for a moment that you would think of dispensing with the heads of departments nor with many officers in the departments.

Professor WILLIS. That is, you would have to have the same number of officers under such a consolidation as you had before?

Mr. BLUE. Largely, of the efficient men, the really necessary men.

Professor WILLIS. The saving, then, would simply come in what direction?

Mr. BLUE. The saving would come in being able to dispense with clerical help.

Professor WILLIS. That is to say, at the present time some men whose time is not fully occupied would then be entirely occupied with the work? There would be no lost time?

Mr. BLUE. If you transferred it all to one office. I do not know that it is practicable. There must be original records in the departments, and perhaps the easiest way of keeping all these records is to tabulate them.

Professor WILLIS. Then if you had offices in which the staff was already fully employed, so that there was no lost time, there would be no necessary saving through the consolidation of the offices?

Mr. BLUE. Not necessarily; there might be in the final preparation of the tables and the printing and publication of them.

Professor WILLIS. There would be some saving in the printing?

Mr. BLUE. Oh, I think so. With us, I know, many tables are printed that have no practical value. They simply fill up space in a book.

Professor WILLIS. Could you not get that same result of economy through proper coordination and cooperation between these different bureaus—through the establishment, say, of a joint committee to overlook and direct their work? Would that produce the same result or not?

Mr. BLUE. I suppose it would, if the work was very carefully done.

Professor WILLIS. It would have to be carefully done in any case.

Mr. BLUE. Yes. You can not always find men to agree. Every man thinks that he is best able to do the work relating to his own special department.

Mr. NORTH. Do you have a central government printing office?

Mr. BLUE. Yes.

Mr. NORTH. That does all the printing for the government?

Mr. BLUE. Well, it does not do all the work. There are times when there is a pressure of work; but when that occurs the chief

officer of the printing department has the power to let contracts to other offices.

The CHAIRMAN. Mr. Blue, we are very much obliged to you indeed for your courtesy. You have given us a good deal of information, and the committee appreciates it exceedingly.

STATEMENT OF MR. W. S. ROSSITER,

Chief Clerk, Bureau of the Census, Department of Commerce and Labor.

The CHAIRMAN. Mr. Rossiter, are you somewhat familiar with the publications of the Bureau of Statistics of this Department?

Mr. ROSSITER. Yes, sir; I have looked them over from time to time.

The CHAIRMAN. Will you please give the committee your opinion as to whether or not the Bureau of Statistics could be consolidated, in whole or in part, with the Bureau of the Census, and your reasons for your opinion?

Mr. ROSSITER. Of the various bureaus, Mr. Chairman, which compose the Department of Commerce and Labor, it seems to me that the two which have functions in some respects most alike are the Bureau of Statistics and the Bureau of the Census. Neither of these bureaus have any administrative functions in the sense that the Bureau of Immigration, for example, has, or such as exist in most of the other bureaus of the Department. All the executive work which they have is simply their own internal management. They are charged with the collection of certain classes of statistics, and the tabulation and presentation of them, and thus they are essentially publishing bureaus. The result of their labors is shown entirely upon the printed page. It seems to me that, therefore, if the question of consolidation of statistical work which was directed by Congress should be seriously considered, the two that are most concerned would be the Bureau of the Census and the Bureau of Statistics.

The tendency, I think, both of Congress and the Department has been to increase the functions of the Bureau of the Census materially since the creation of the permanent office. The work which is now before the Census is much more extensive and in some respects more important than was contemplated at the time of the creation of the permanent office. Therefore, if there were to be any serious consideration of consolidation, it would be that the Bureau of Statistics should be merged in the Bureau of the Census. In my opinion a complete compliance with the spirit of the law as well as its wording would be that the Bureau of Statistics should be included in the Bureau of the Census. The reasons which I would suggest briefly for such a conclusion are, first, that the data which is collected by the Bureau of Statistics and embodied in publications is of a sort which could be secured and utilized with equal facility by the Census; secondly, the facilities of the Bureau of the Census are such that any large statistical undertaking which is placed before it can be accomplished not only rapidly but economically and effectively. The training of the clerks in the Census has been of an exceptional nature. For seven years they have been moving from one class of statistics to another and dealing with very large, broad, and important subjects, so that they are in the nature of trained workers in figures,

who might with equal ease handle the results of a tabulation upon live stock or upon criminals in prisons or upon any other class of statistical material.

Another reason that I would suggest is that the Census is equipped with all manner of mechanical appliances which can be utilized upon many classes of statistics, and which, I suppose, might be utilized effectively upon such statistics as are produced by the Bureau of Statistics. I recollect that some three years ago when I was doing some special work for the tabulating company an inquiry came from England as to the application of the electrical machines to the trade statistics of Great Britain. That was turned over to me to work upon, and as far as I was able to judge it was possible to work out a very effective scheme by which the customs statistics of Great Britain could be tabulated very rapidly and accurately by that method. It seems to me as though it might thus be possible to apply the electrical system effectively to the data tabulated by the Bureau of Statistics.

Still another advantage may be found to exist in economy of administration. As I remember a compilation of the positions of importance in the Bureau of Statistics and the Bureau of the Census, the proportion of employees having a compensation exceeding \$1,200 in the Bureau of the Census is about 7 per cent of the entire clerical force. In the Bureau of Statistics it exceeds 50 per cent. In an office as large as the Census it is possible to have a large number of privates as well as officers—the former, of course, performing the routine statistical work. In that way I should say that the ability of the Bureau of the Census to supply clerks here or there, or where they may be required in pieces of statistical work, as we demonstrate from month to month in our own requirement, would be a very considerable money saver.

I believe the actual transfer of the Bureau of Statistics to the Bureau of the Census would not be regarded with enthusiasm by any of our people in the Census, in the sense of actually wishing to acquire bodily another bureau. Our requirements there are large and exacting and we have our hands pretty full. While we would not object to any work that was placed upon us and would handle any requirement that might come as well as we could, I rather doubt whether we would feel enthusiastic over the change suggested. By that I mean to say that in what I have said there is no ambition on our part, as far as I may express it, to acquire a greater amount of work.

Mr. NORTH. Do you not think it would even be a possible disadvantage to us to have this consolidation effected, prior to the Thirteenth Census, for instance?

Mr. ROSSITER. Well, sir, in some respects I think it might be. On the one hand, we are all prepared to pitch in and produce the best possible results under any conditions that may come to us; but the amount of work which is before the Census is very large at present and much greater than was originally contemplated. I recollect that when the permanent Census bill was under consideration, Governor Merriam, who was at that time Director, remarked to me that by 1907 and 1908 he felt that most of the work before the Census would be completed and that our force would have dwindled to 150 or 200 people. The results show that Governor Merriam's opinion

was very far from the fact. We have between 600 and 700 people now, and I have never seen a time in the Census when it was more necessary to keep our force at its maximum than during this past summer. Of course, if it were the opinion of the Secretary and the committee that the work of statistical presentation now done by the Bureau of Statistics would be better done under the supervision of the Census than now, or that it would represent a good business investment, so to speak, we would undertake it as cheerfully as we could under such conditions as would be prescribed. But I think we would get along better, as far as our own work is concerned, if we perhaps did not have that addition.

There is, however, Mr. Chairman, one branch of the Bureau of Statistics' work about which I have a very decided opinion, and that is the Statistical Abstract. I feel that as the Census has become the great statistical center of the Government, the publication of a book of that character should emanate from the Census. It is made up in large part of compilation, a portion produced by the Bureau of Statistics; the remainder of the volume is made up from the Census and from other branches of the Government. I respectfully submit that a publication of this character should come from the Census office. Added to that is the constant confusion as to the book compared with our own Abstract of the Census. It repeatedly happens that inquiries come not only from the general public, but from Members of Congress, who confuse the names of the books and think that we publish both. It seems to me that that volume should be transferred to the Census, where the compilation could be readily made.

If the committee has some doubt as to the wisdom of transferring the Bureau of Statistics to the Bureau of the Census, permit me to respectfully raise this question: Would it not be possible to consolidate the Bureau of Statistics with the Bureau of Manufactures? Is it not true that the functions of those two Bureaus are much more allied than even those of Statistics and the Census? The only consolidation which Congress ordered, as I remember it, in the bill creating this Department, was that of the bureau having the consular reports with the Bureau of Statistics. That was made, and shortly afterwards was unmade by the Department by transferring it, in the discretion granted by the law, to the Bureau of Manufactures. It thus suggests itself that there was evidently some relation between the Bureau of Statistics, the consular reports and allied work, and the Bureau of Manufactures, evident even in the mind of the Secretary when that transfer was made. Would it not be possible and perhaps more effective to go a step farther and consolidate these two Bureaus under some such name as the "Bureau of Commerce," or the "Bureau of Trade Relations," or something of that sort, by which the whole general subject of imports, of exports, of manufactures in this country and their promotion abroad, and the publication of all literature relating to those subjects, should thus be consolidated under one efficient bureau having wide scope and authority?

Mr. NORTH. You would call it, not the "Bureau of Commerce," but the "Bureau of Foreign Commerce?"

Mr. ROSSITER. Very probably; yes, sir.

Mr. NORTH. As distinguished from internal commerce?

Mr. ROSSITER. Yes, sir. I think a name could be obtained which would cover the scope of the bureau and be dignified and effective.

Doctor NEILL. The principal point you seem to have made, Mr. Rossiter, is the economy and, as you think, the improved efficiency in handling the statistics. Is not the presentation of statistics and the tabulation of them after all the secondary and the least important part of any statistical study? Is not the planning of the study, the outlining of it, the determining of what kind of statistics you want, and in what form you want them tabulated and presented, the most important part?

Mr. ROSSITER. Yes, sir; I think it is.

Doctor NEILL. Then how would that aspect of the question be affected by such a consolidation as has been discussed here?

Mr. ROSSITER. Well, I think that is rather an embarrassing question, Doctor Neill, is it not?

Doctor NEILL. How is that?

Mr. ROSSITER. That raises the question as to any sweeping change that might be made in connection with the presentation of the statistics of the Bureau of Statistics now as compared with what it might be later on.

Doctor NEILL. I assume that in this whole discussion there is neither personal bias nor personal interest, and that we can discuss in a general way whether this or the other proposition would be preferable.

Mr. ROSSITER. Yes, sir.

Doctor NEILL. We can not reach a decision if we say some things for the record and keep some things in the back of the head.

The CHAIRMAN. I do not know that it is proper for a member of the committee to answer the question of another member, but, Doctor Neill, I want to suggest this as an answer. Would not the same agencies for supplying the statistics, so far as they are sent in by persons other than those in the Government employ, be just as available for the Census as they are, of course, for the Bureau of Statistics now? That answers a great part of the question as to the figures in the Statistical Abstract—their footings of the reports of other Departments of the Government and of offices of the different States. Those agencies would be just as available, of course, for the Bureau of the Census as they are for the Bureau of Statistics.

Now, as to the question of original research, that is the question you want to put to Mr. Rossiter.

Mr. ROSSITER. Your question was, rather, whether there would be a better presentation. Was not that it?

Doctor NEILL. No. I might put it in this way: In my own judgment there are three different problems that present themselves in every statistical study. The first is, What do you want to present? What facts are you going after? In other words, what facts have significance in the study of them? You can go out and gather facts galore, and I have seen many investigations in which many facts were gathered which were entirely of secondary importance, and the vital, significant facts, the facts that might be of sociological importance, were entirely ignored, because the person planning the investigation had no proper conception of the subject that he was studying. For example, you and I might claim to be statisticians, and both of us would be incompetent to present a study of ~~the~~ which required the presentation of statistics; *

In the second place, having outlined the scope of your investigation and the facts that are valuable for presentation, the second problem arises: How are you going to get those facts? That is to say, you can go out and gather certain specific facts. You may secure material that is not worth having. Of course if you go and compile records from the court, that is one thing, but the problem arises if you have to go out and get material.

In the third place, having outlined your study properly, and having gotten material that is correct, the method of tabulating it and presenting it is an entirely different problem. That is a distinctly statistical problem, and that, as I understand, Mr. North, is the province of the statistician.

MR. NORTH. That is a pretty narrow view of it.

DOCTOR NEILL. A statistician can not claim to be expert in every field. There are experts in many fields, but I have seen statistics presenting certain definite and distinct problems in the science of statistics which a man has to master before he can claim to be a statistician.

Now, the third question, the question of the tabulation and presentation according to correct statistical methods, is the problem that it seems to me you have discussed. As to the other two aspects of the question, how would they be affected by such a consolidation—the first one primarily?

MR. ROSSITER. That is the determination of the significant features of the statistical work?

DOCTOR NEILL. Yes; the determination of what parts are of value and how they should be presented.

MR. ROSSITER. I think that can be answered in two ways. The first is that Congress has left in its statutes rather less leeway to the Bureau on such material than, for example, would be given to us in our inquiries. As I remember the laws which govern the Bureau of Statistics there is a definite specification of the things which are to be presented, the classes of exports and imports, certain internal trade statistics, and a pretty close statement of what the Bureau is expected to give. As to the detail within that, it might be improved slightly by the Census, but I think that the Bureau of Statistics makes a very good presentation of such material. That answers your first question.

As to the outlining of the way in which the material shall be presented I think probably that with some such study the assistance which the Bureau of Census could give to the Bureau of Statistics after its consolidation would result in some improvements. Whether that would be sufficiently important to justify on those grounds alone the transfer of one bureau to another I should be rather in doubt.

DOCTOR NEILL. Is not the first question in the presentation of commercial statistics the question as to what statistics are of value?

MR. ROSSITER. Yes, sir.

DOCTOR NEILL. In the second place, what form of tabulation is to be adopted, what things are to be brought out, what combinations are desirable to be made—does not that of itself require an extensive and an expert knowledge of the general subject of commerce?

MR. ROSSITER. I think it ought to; yes, sir.

Doctor NEILL. Ought not your work, then, to be under an expert in that field?

Mr. ROSSITER. I think it undoubtedly should be; but in regard to the question of these statistics, it is so clearly outlined by Congress that there is less leeway than there would be in such inquiries as are given to the Census where Congress says, "Make a report on banking." There is no definition there at all. It may be large, it may be elaborate in four volumes, or it may be a pamphlet.

Mr. AUSTIN. You speak of the Statistical Abstract, Mr. Rossiter. What proportion of the Abstract, as it is now published, is composed of material produced by the Census?

Mr. ROSSITER. About 75 or 80 pages, I think, as I remember it.

Mr. AUSTIN. What proportion is composed of material produced by the Bureau of Statistics in relation to commerce?

Mr. ROSSITER. I should think that about half of the Abstract, as I remember it, was devoted to the material of the Bureau of Statistics; perhaps a little more than that.

Mr. AUSTIN. About 500 pages?

Mr. ROSSITER. I should think so; yes, sir.

Mr. AUSTIN. Then approximately 70 per cent of the Abstract, as now published, is material produced by the Bureau of Statistics and approximately 12 per cent material produced by the Census. Is that right?

Mr. ROSSITER. Yes, sir. But speaking frankly, Mr. Austin, my opinion is that there is a little too much material in there which is drawn from the Bureau of Statistics. I think that the book itself could probably be condensed somewhat, so that the proportions would vary a little from those you have mentioned.

Mr. AUSTIN. You spoke of a fact that the name of your publication, Abstract of the Census, and the name of this publication, Statistical Abstract, led to confusion in the way of cross inquiries. When was the title "Abstract of the Census" adopted?

Mr. ROSSITER. I think in 1880.

Mr. AUSTIN. Do you know when the title "Statistical Abstract" was adopted?

Mr. ROSSITER. I do not. The Census Abstract has been published since 1840.

Mr. AUSTIN. That has been published as a document with that name?

Mr. NORTH. Abstract of the Census; yes.

Mr. ROSSITER. It was a Compendium in 1850.

Mr. AUSTIN. My recollection is that it was called a "Compendium" until the census of 1890 or 1900.

Mr. NORTH. In 1890 there were two—the Compendium and the Abstract, both.

Mr. ROSSITER. I think it was 1880, Mr. Austin.

Mr. AUSTIN. The name "Statistical Abstract" was adopted by the Bureau of Statistics in its first issue of the Abstract in 1878, and has been continuous every year since that time, while the other has been merely decennial, and I did not think it originated as early as that. It is a matter of no importance, because that is easily adjusted by the head of the Department. If the head of the Department, who has the same relation now to the Bureau of Statistics which the Director

of the Census would have if it were consolidated, chooses to direct a change in the name of either of these publications it is entirely within his province.

Mr. NORTH. It is not merely the name, Mr. Austin; it is the fact that two publications so identical almost in their character are published in two different offices.

Mr. AUSTIN. Are they identical, except for the fact that we publish about 70 pages of matter which you publish? If it is the wish of the Secretary that this shall be omitted, certainly it is within his power to do it. The purpose of publishing that 70 pages of matter which you issue (and which we credit to you, of course) is merely to put into one complete and handy volume for reference the principal statistics of the United States, of commerce, of finance, of the work of the Census, of agriculture, the appropriations of Congress, the expenditures in the Departments, etc., and I think it is generally conceded that the people interested in matters of this kind would not be willing to get along without a work of that kind which does contain these essential facts.

Mr. NORTH. I agree to that, Mr. Austin.

Mr. AUSTIN. If there is any part of that Abstract which is unsatisfactory, which is too elaborate, which is too much of a duplication—is it not just as easy for the head of a Department or the assistant head of the Department to direct the omission of any particular feature as it is to pass that work over to another officer of the Department? As to this matter of the Statistical Abstract, I think we ought to make clear that 70 per cent of it is the work of commercial statistics produced by the Bureau which issues them, and that if any part of the remainder is considered by the head of the Department as too elaborate, nothing would please the Bureau of Statistics better than to adjust it to his wishes.

There is one other question, Mr. Rossiter. You spoke of the fact that a certain per cent of your force of employees was above a certain grade in the matter of compensation and a certain per cent in the Bureau of Statistics. Will you kindly repeat that? I am not sure that I have got that exactly.

Mr. ROSSITER. What I said, sir, referred to the fact that there might be an element of economy in the transfer of one Bureau to the other. That comment was due to the fact that I observed that the force of the Bureau of Statistics, when divided by salary, fell a little more than 50 per cent above the line of \$1,200 compensation, whereas in the Bureau of the Census the proportion by the same division was slightly more than 7 per cent—I think 7.2 per cent.

Mr. AUSTIN. Do you think the question of efficient work has any relation to the question of the class of the employees?

Mr. ROSSITER. Yes; I think it has, ordinarily. In the preparation of statistics in our office we would not assign a clerk getting \$1,400, \$1,600, or \$1,800 to the mere preparation of a table. That would be under the supervision of some one having that compensation, perhaps, but the people who do the routine work are people who get \$1,000 or \$1,200. I do not know enough of the internal operation of your Bureau to criticise it at all in that respect. I merely suggest that the organization of the Bureau of the Census is such that our results are secured with a proportion of but 7 per cent of higher compensation.

Mr. AUSTIN. Can you give the committee an idea, Mr. Rossiter, of the cost of the electrical tabulating machines which are used, or are expected to be used, in the census work? What I am thinking of is whether it would be practicable. Of course, it is a fact, Mr. Chairman, that I made a few years ago, with as great care as I possibly could and with all of the integrity and earnestness that I possibly could, an effort to adapt the work of the Bureau to the tabulating machine, or the tabulating machine to the work of the Bureau, and I do want to ask for information about what is likely to be the cost of the tabulating machines as now being manufactured.

Mr. ROSSITER. You mean per machine?

Mr. AUSTIN. Yes.

Mr. ROSSITER. That is impossible at present to answer, because we are making experimental machines. But the important point, Mr. Austin, is that when constructed they cost us nothing, and they are being constructed, and must be constructed, for the census of 1910.

Mr. AUSTIN. Yes; that is, they cost you nothing for rent. They belong to you.

Mr. ROSSITER. They belong to us, and the punches also.

Mr. AUSTIN. When you buy a typewriter you pay a certain sum for it. After that it costs you nothing?

Mr. ROSSITER. Of course, except repairs.

Mr. AUSTIN. But my question was whether you are able to give information as to what those machines would cost?

Mr. NORTH. They would cost less than a year's rent. There is no doubt about that.

Mr. AUSTIN. And what was a year's rent?

Mr. NORTH. With the automatic system it was based on the amount of work done, so that we can not answer that question.

Mr. AUSTIN. From \$1,000 to \$5,000?

Mr. NORTH. That would depend, of course, upon how long the machine was used.

Mr. ROSSITER. The original cost was \$1,000, was it not, Mr. Director, of the hand machine?

Mr. NORTH. Yes; I think it was.

Mr. AUSTIN. Then we may assume that the electrical machine would cost perhaps as much as a good clerk, say of the second grade—would cost, when produced, as much as one year's salary of a clerk of the higher grade?

Mr. NORTH. Oh, not so much as that.

Mr. ROSSITER. I do not think that is quite a fair assumption, Mr. Austin.

Mr. AUSTIN. I am merely trying to get at the question of whether, in case it should be found practicable in some way—and I hope it will—to adapt the electrical tabulating machine to the work of the Bureau of Statistics, wherever it may be, the cost of putting in as many machines as will be needed would be very large.

Mr. NORTH. It would be very small—not worth considering.

Mr. AUSTIN. That has been, I am frank to say, one thing which I have had in mind as to the possible advantage of the bringing of the Bureau of Statistics into a closer relation with the Bureau of the Census, perhaps under the same roof--the practicability of using the machines. But if the machines can be had at a cost of only a

matter of a thousand dollars or so, that is not of such importance as I thought it possibly might be.

Doctor NEILL. Mr. Rossiter, may I ask you just a question? You were comparing the average salaries. Do you know whether in the Bureau of Statistics those who are receiving salaries above \$1,200 are engaged in mere compilation or tabulation, such as is performed by your \$1,200 clerks?

Mr. ROSSITER. I really do not know, sir. There are more than 50 per cent. I assume they must be doing more or less of that.

Doctor NEILL. Have you any reason, though, for believing that if the two Bureaus were consolidated you could secure the same men to do the same work you are now doing for less than they are now getting?

Mr. ROSSITER. I do not think that would be right. I do not think they should be actually reduced in compensation. My idea would be that the work should be so adjusted, assuming my theory that the proportions are so much higher in their office than in ours is correct, that much of the work which expensive men or officers are doing in the Bureau of Statistics might be done by what we might term "privates" of the Census Office.

Doctor NEILL. Does not that depend entirely on the work they are now doing?

The CHAIRMAN. Let me suggest to the committee that we are wandering away on a bypath. It is a question of management which we are discussing, not a question of theory. This compensation talk has no relation to the question we are discussing here under the law. What a \$1,000 or a \$1,200 clerk would do under a different organization I do not think cuts any figure at all, and we ought not to consider it.

Mr. NORTH. I think it cuts a very important figure, Mr. Secretary. It seems to me a very important question.

The CHAIRMAN. I do not think it cuts any figure on the question that is before us, which the Secretary wants us to consider. Of course that is only my opinion.

Professor WILLIS. There is one point there, Mr. Rossiter, that interests me. You spoke at the outset, I think, of the difference between administrative statistics and other statistics.

Mr. ROSSITER. I did not refer to statistics but to the functions of a bureau.

Professor WILLIS. Yes. And I think you said on that point there was more similarity, probably, between the work of the Bureau of Statistics and that of the Census, inasmuch as they presented results on the printed page and did not tabulate statistics for administrative use in the conduct of a bureau. Is that right?

Mr. ROSSITER. Yes, sir.

Professor WILLIS. I would like to ask whether there is not that administrative quality that you speak of in the Bureau of Statistics in its relation to the customs division of the Treasury; and does it not bear the same relation to the customs division that the administrative statistics, we will say, of the immigration office here bears to the Commissioner of Immigration and his work?

Mr. ROSSITER. I do not think it does, for the reason that the Bureau of Statistics has nothing whatever to do with the collection of

that material. They merely take information which is given to them and make announcements.

Professor WILLIS. Then I misunderstood the work of the Bureau of Statistics. I thought they did collect that.

Mr. ROSSITER. I do not understand that they collect original statistics of that character.

Mr. AUSTIN. They have immediate and constant supervision over the work of the customs officers who collect these statistics, and are in constant communication with them and direct them in their work; and if their work is not satisfactory, and if their reports are not satisfactory, they give them constant instruction. Never a day passes that I do not sign from half a dozen to fifty letters addressed to customs officers directing them about the class of work which they are performing.

Professor WILLIS. The point I had in mind, Mr. Rossiter, was this: The figures of our Bureau of Statistics are collected primarily in connection with the administration of our customs service, are they not?

Mr. ROSSITER. I suppose they are, yes.

Professor WILLIS. And their primary use is in connection with that service?

Mr. ROSSITER. I suppose that is true.

Professor WILLIS. That is to say, strictly speaking they are financial or Treasury statistics?

Mr. ROSSITER. Yes.

Professor WILLIS. Then, would it not be true that the analogy or similarity between the Bureau of Statistics and the Bureau of the Census which you speak of is more apparent than real?

Mr. ROSSITER. No, sir; I do not think so, for the reason that I can not see why that function would not be exercised just exactly as well under the name Bureau of the Census as under the name Bureau of Statistics.

Professor WILLIS. That may be; but I do not think that is quite the point. I understood you to say there was this peculiar similarity between the two Bureaus that conspicuously fitted them for consolidation, marking them out as having a special affinity for each other.

Mr. ROSSITER. I might have expanded that by including the Bureau of Manufactures. Theirs is a publishing function largely, although they have specific promotion requirements. But in general I do not think I should vary materially from my original statement regarding the Bureau of Statistics and the Bureau of the Census.

Professor WILLIS. That is, you do not think this relation to the customs bureau is close enough?

Mr. ROSSITER. I do not think it is close enough to cause a modification of my original statement, unless I do not clearly understand what they do.

Mr. NORTH. You should have used the words "executive functions" instead of "administrative." Neither of the Bureaus have any executive functions.

Mr. ROSSITER. Yes, sir.

Mr. NORTH. That is, there are no laws to enforce, such as in the Immigration Bureau.

Mr. ROSSITER. Yes, sir; that is correct.

Professor WILLIS. If the Bureau of Statistics is closely allied to the customs division of the Treasury—and of course its statistics are employed in the executive functions of the customs division of the Treasury—it seems to me the point of your argument would seem to be in the direction of consolidating the Bureau of Statistics with the customs division.

Mr. ROSSITER. Professor Willis, that is met by the fact that you are dealing with two different Executive Departments. That being the case you can not have very strict control by the Department of Commerce and Labor over the Treasury Department. There can at any moment be some friction and it seems to me that is a very important qualification.

Professor WILLIS. I agree with that entirely. It merely occurred to me that the analogy there was not altogether as close as it seemed.

There is one other point which occurred to me. You spoke of the efficiency of the men of the Bureau of the Census coming from the fact that they were shifted from one kind of work to another, and were constantly familiarized with all classes of statistics, so that a man who is collecting, say, manuscript statistics might be put on statistics of crime, etc., and that made them efficient statisticians. Did I understand that correctly?

Mr. ROSSITER. No, sir; I did not refer to them at all as being statisticians.

Professor WILLIS. I mean efficient workers.

Mr. ROSSITER. I regarded them in the same distinction that you might have between regulars and volunteers. They were fine all-around men. They had not been confined to specialties, but had been utilized in various classes of work. Their resourcefulness was unusually great.

Professor WILLIS. There are two questions that occur to me in connection with that. Would it not be odd for men who may be more efficient in special lines of statistics to be shifted from one class of work to another? Just offhand it strikes me that is a situation that is sui generis.

Mr. ROSSITER. What I was moving toward in that was a condition which we confront constantly in taking up new inquiries, and thus being obliged to take a section of clerks from one class of work to another. We have found, I think, in taking up new inquiries, as we have passed on in years of work, that the clerks have become so expert in their various classes of work that they take quickly to a new kind of work, and do not need that elaborate explanation and training that they would if they were new. In referring to that I meant to suggest that if a requirement arose in the statistical work of the Bureau of Statistics, supposing that it was transferred to the Census, by which a certain number of clerks were needed for a given time, that the efficiency of the force is such that they could be placed in that work without a long period of training and explanation. They would learn very rapidly.

Professor WILLIS. But, as a matter of fact, you would take over these same men, would you not?

Mr. ROSSITER. I suppose, of course, the Bureau of Statistics would use its good men.

Professor WILLIS. So that would really have no relation to the question of economy.

Mr. ROSSITER. I did not assume at all that there would be a transfer of duties and no transfer of employees, which would be extraordinary.

Professor WILLIS. Exactly. Now, as these men are fully employed at the present time, there would be no necessary economy, would there, in transferring them; or how is that?

Mr. ROSSITER. Well, sir, I think that is purely administration, as the chairman remarked. It seems to me that if you have an \$1,800 clerk in the Bureau of Statistics making tables now, we might be able to supply a \$1,200 clerk who would make a better table, and use the \$1,800 clerk on some far more significant and responsible work.

Professor WILLIS. That is purely hypothetical.

Mr. ROSSITER. No; is purely good administration.

Professor WILLIS. That is, you have no unit costs of work in the Census Office which would enable you to give a definite answer as to whether there would be absolute economy.

Mr. ROSSITER. No, because one inquiry differs so from another. It would be very difficult to make that except if it was required ten years later.

Professor WILLIS. There is another point. Don't you find that shifting men from one kind of work to another frequently increases the cost of doing the work?

Mr. ROSSITER. No; I think it decreases it.

Professor WILLIS. In all lines?

Mr. ROSSITER. Do you mean as compared with putting a new man on?

Professor WILLIS. No. Suppose you shift a man from one inquiry to another owing to the requirements of time; does not that increase the cost of doing the work?

Mr. ROSSITER. I think your statement would be correct if it meant stopping and starting all the time, which we do not.

Professor WILLIS. You spoke of the possibility, as I understood it, of putting a force of men on these commercial statistics and then taking them off and putting them on something else if necessary.

Mr. ROSSITER. Of course, I proceed on the supposition that in an office of 600 or 700, nearly 800, people, the opportunity to try a clerk here and there without injuring the work would be constant. You can always do that.

Professor WILLIS. But does not experience show that where you shift a man back and forth there is increase in the cost of compensation? Has not your experience shown that?

Mr. ROSSITER. We do not do it in the seesaw fashion which would produce that result. Where we make a shift it is for a long enough time to secure the best results. We watch our cost accounting very closely, and I have no recollection of any increase of that kind, unless there might be some small item in an emergency.

Professor WILLIS. You never shift a set of men from one class of work to another and then shift them back again, owing to the necessity of getting out certain statistics quickly? Of course, if you did that would furnish a test of this question of economy.

Mr. ROSSITER. I do not know of such a requirement, unless perhaps that lately we have taken some people off a work to put them on the Oklahoma census. Perhaps that would involve a little additional

expense. It is never done under such conditions unless there is an emergency.

Professor WILLIS. But, in general, it is fair to say that shifting men back and forth in that way would be less economical than keeping a small staff of men continuously employed?

Mr. ROSSITER. I accept that with the qualification, if it were done without judgment.

The CHAIRMAN. Assuming, Mr. Rossiter, that the Census Office as organized to-day was split up into five different departments, corresponding with the five big statistical divisions; assume, if you please, that each one of those divisions was entirely separate and distinct and responsible to the Secretary of this Department; assume that each of these five divisions could get out the work that the Census Office gets out to-day just as promptly as it gets it out, and that the printing would be 10 per cent less, we will say, and the clerk hire 20 or 25 per cent less, or at least that there was a great deal of saving in each department through having them separate. Which do you think would be the better organization for a great government to maintain, the big statistical Census Office under one head and under one roof and one management, costing, as it does to-day, or an organization composed of five or ten separate bureaus as I have outlined, having no coordination, and there being necessarily confusion as to its publications, but costing a little less money? Which is the better organization?

Mr. ROSSITER. I think it is infinitely better to have one large, compactly organized bureau or branch of the Government. What is more, I think that the whole tendency of modern business is toward organization along those lines.

The CHAIRMAN. Organization along the lines of concentration, and then internal economies where they can be reached?

Mr. ROSSITER. Yes; and improvement in the way of securing the highest possible efficiency. Furthermore, there is one other thing, assuming that you had split the Census Office into its five or six parts. You have introduced the possibility of five or six different men putting out five or six different kinds of theories and methods of procedure. The personal equation is a matter of great importance.

The CHAIRMAN. Now, assuming that the Census Office were split up into five or ten different bureaus, as it is organized to-day—they are each in a way separate from the other bureaus of your Department?

Mr. ROSSITER. Yes, sir; very much.

The CHAIRMAN. Probably just as separate as the Bureau of Statistics is?

Mr. ROSSITER. Yes, sir; fully.

The CHAIRMAN. Suppose the question came up as to the consolidation of these bureaus under one head and under one roof, and a general coordination. Would not the same questions as to the supervision of the collecting of the different statistics of these separate bureaus be raised just the same as they are raised to-day under the possible consolidation of the Bureau of Statistics with the Bureau of the Census—the question of clerk hire, the question of internal management, and the question of the collection of the material as it comes in?

Mr. ROSSITER. Yes, sir. Mr. Commissioner, my understanding of the history of census work is that it is a growth. The early censuses dealt principally with population, and to that subject were added, as mere incidentals, manufactures and agriculture. There were no vital statistics to speak of and few miscellaneous inquiries. Little by little the other inquiries grew in importance and were erected into divisions of reasonable responsibility and dignity, until at length at the Twelfth Census for the first time there were created the positions of statisticians, five in number, each to have the responsibility of a division in charge of a separate line of inquiry, but all under one head. It is an evolution and, as it has appeared from our work, has been a very effective and important movement.

Doctor NEILL. That has been the result of accident rather than of design?

Mr. ROSSITER. Rather than of design; but it has been the result of what we might call necessity. It is the natural result.

The CHAIRMAN. Do you believe, Mr. Rossiter, there is such a thing as a Government organization which is theoretically better than a haphazard organization and economically as efficient?

Mr. ROSSITER. Yes, sir; provided the theoretical organization can be worked out into actual practice. If it is merely a theory, of course you will get no result. It is very much like the present law, which requires or suggests that the Department do certain things which doubtless if carried out in the best possible way would result in greater economy and efficiency; but in the meantime the Department is running from day to day with a fairly good organization and nothing has been done.

The CHAIRMAN. Now, good men will work a bad system well?

Mr. ROSSITER. Yes, sir; that I agree to at once.

The CHAIRMAN. And good men will work an ideal system better, will they not?

Mr. ROSSITER. Yes, sir.

The CHAIRMAN. Now, assume that the Government is organized along unscientific lines—and it is a hodgepodge in many ways.

Mr. ROSSITER. Yes, sir.

The CHAIRMAN. Good men will run it well and do effective work. We hold our own with the other nations of the world.

Mr. ROSSITER. Yes, sir.

The CHAIRMAN. Assuming that the same personal equation obtains in a more coordinated organization, would it not be a sequitur that the results would be better?

Mr. ROSSITER. Certainly, sir. I agree heartily to that.

The CHAIRMAN. With less confusion, more efficiency, and theoretically a better organization?

Mr. ROSSITER. Yes, sir; decidedly.

STATEMENT OF MR. ISAAC M. RUBINOW,

Chief, Library Division, Bureau of Statistics, Department of Commerce and Labor.

The CHAIRMAN. Mr. Rubinow, will you give your full name and your position, please?

Mr. RUBINOW. My name is Isaac M. Rubinow. I am chief of the so-called Library Division of the Bureau of Statistics.

The CHAIRMAN. You received a letter from me stating the purpose of this committee?

Mr. RUBINOW. Yes, sir.

The CHAIRMAN. Will you give this committee your opinion on the question of whether or not it would be wise and in the interest of economy and efficiency, as set forth in that letter, to transfer the Bureau of Statistics to the Bureau of the Census?

Mr. RUBINOW. Mr. Secretary, the problem is a very large one, and to a subordinate employed in one bureau who has to face the possibility of being transferred to another bureau it is a somewhat embarrassing one.

The CHAIRMAN. I will admit that, Mr. Rubinow, and I want to say that while there may be possible embarrassment running through the whole question here we are simply getting at what is the best thing to do. We just want your best opinion on the matters under discussion, and if any question is at all embarrassing you can pass it over. That is only fair to the subordinates whom we have called here; but in the main the committee wants the benefit of the best advice it can possibly get, and we have asked the people who are actually doing the work to come and give us their best opinion. The committee itself realizes its limitations, and we have gone outside of the Government entirely and asked three distinguished statisticians to sit with us and help us to get all the information we can from the men actually doing the work, and I hope you and the others will answer without any embarrassment and give us the best opinion you have on the subject without bias and without any reserve.

Mr. RUBINOW. In the letter which I have received, inviting me to appear before this committee, there were two elements brought forward as playing a part in the discussion, that of economy and that of efficiency of statistics or the quality of the work. I personally would waive aside the problem of economy with a very few considerations; first, because the work that is done by the Bureau of Statistics costs probably as little as it ever will cost in the future. The force is scarcely overpaid, if you consider that they have been at it, some of them, for thirty or thirty-five years. I think that consideration has been disregarded in comparing the salaries in the Bureau of Statistics with the salaries in the Census Office.

The CHAIRMAN. I agree with you, Mr. Rubinow, that that question of economy possibly ought to be entirely eliminated as far as salaries are concerned, and that we should address ourselves probably to the much larger question of a better organization.

Mr. RUBINOW. And besides, as I understand it, the bodily transfer of the main work of the Bureau of Statistics is not even contemplated. The Bureau of the Census is very crowded, or will be very much so in the very near future, when the new census is started, so the probability is that the same people will have to remain doing the work in the same place.

Now, then, the question of the quality of the work is the paramount question. There has undoubtedly been considerable dissatisfaction with the statistical work done by this Government, and, as I think every trained statistician will agree, to some extent that dissatisfaction was justified. But it seems to me that in trying to think of remedial measures we have started at the wrong end and thought that we could improve the condition exclusively by the shifting of

divisions or offices or bureaus. Very good or very poor work may be done in a small office or in a large office—and, in fact, is done. The idea of centralization of statistical work proceeds, it seems to me, mainly upon two somewhat misleading conceptions. The first misleading conception is that in advocating complete centralization of all the statistical work done by this Government we are following European examples, which is not the fact, with a very few exceptions; and, second, there is misconception of what statistics really is.

Now, let me extend a little my first statement. It would be a very long story to go into the exact statistical organization of each European country, but I think the broad statement is justified that there is no country in Europe, with the exception of the very few small countries in which the weight of more than one statistical office is felt to be too great a burden—with the exception of those few small countries like Norway, Roumania, or Portugal—I think that I might say that there is no important European country that has effected an absolute centralization of statistical work. One great seeming exception to that is, as we all know by this time, Germany, with its Statistisches Amt. Offices by that or similar names do exist in many other European countries, but they are not what they pretend to be; they are not central statistical offices in the sense of combining all statistical work. The German central statistical office probably does a greater share of the statistical work of the German Government than any other. That has been due to a great many historical causes, but I do not know how far it is worth while for me to go into them.

Mr. NORTH. It is true, is it not, that the general statistical office of Germany compiles the statistics of customs?

Mr. RUBINOW. Yes; I may say that in all the larger European countries that is the only example, with the possible exception of Hungary, which has its statistics of foreign commerce prepared in the central statistical office. However, the general statistics of foreign commerce of Austria-Hungary is compiled by a special office in the department of commerce, just as it is done in this country. That, however, is not the usual method. In the vast majority of European countries the statistics of foreign commerce, of exports and imports, is compiled by statistical offices, or divisions, or sections, or whatever you may call them, in the department of customs, if such a department exists, or usually in the department of finance. That is the rule with the exception of Germany and, I think, Norway and Portugal—Roumania possibly, if I am not mistaken.

The CHAIRMAN. Mr. Rubinow, so far as your information goes in reference to the countries abroad, are the purely statistical data which are tabulatable prepared in the central office, or is the work split up between other offices? My point is to distinguish between the tabulatable data which are collected irrespective possibly of the personal equation, when they are collected for a sociological, or commercial, or economic study (the distinction made by Doctor Neill, which seems to be a wise one), and the other information which is collected for one of those studies of which Doctor Neill has spoken this morning. I want to know whether or not that kind of information, the kind that is tabulatable, is centralized in its collection and publication.

Mr. NORTH. Do you mean in any particular European country?

The CHAIRMAN. Whether or not it is the universal practice?

Mr. RUBINOW. Practically every large department has its statistical office, where the actual statistical work is done. In a few countries certain branches of statistical work are centralized in central statistical offices, commissions, or bureaus; but outside of that you will find, even in Germany, where centralization has gone further than in any other country, that many departments do their own work. For instance, in Germany the central statistical office does the statistics of insurance against sickness, but statistics of insurance against accident and insurance against old age are compiled by the central office of insurance. There are no logical lines of division as there perhaps should be. It is all a matter of growth; but, as a matter of fact, there is no case where you find all statistical work done in one place.

Professor WILLIS. In speaking of these different offices and the distribution of statistics among the different offices, Mr. Rubinow, there is one thing that occurs to me it may be well to bring out here. Do you regard statistics as a method of working or as an object in itself?

Mr. RUBINOW. My views of statistics are decidedly definite. I do not think that statistics is an independent branch of science, and I think that is the great misconception upon which the demand for consolidation is based. It is assumed that a man who is trained in one branch of statistics will be necessarily well trained in statistics of another branch. As a matter of fact, the opinion of many theorists in economics—and I heartily approve that point of view—is that statistics is a scientific method just as mathematics is. Now, to speak of mathematics, you will probably find in the Departments about ten bureaus scattered in various branches which are using higher mathematics. The Bureau of Soils in the Department of Agriculture uses higher mathematics; the Bureau of Standards, the Geodetic Survey, the Engineer's Department, and many others use higher mathematics, and yet they are dealing with entirely different sets of problems. Now, statistics is a scientific method which is being used at present in almost every line of scientific inquiry—not necessarily economic, not necessarily social. It is used extensively in biological work, medical work, hygiene, astronomy, and in various other branches. Therefore the plea for centralization must not be based upon the fact that all statistics is one thing. Of course, there is a study of statistics as a method, just as there is a study of mathematics, and the man that undertakes to study any particular problem with the help of a statistical method should be both a specialist in his individual line and be thoroughly trained in statistical work. And, if I may say it right now, that is one of the main reasons why so much poor work has been done under the Federal Government. Very frequently the work was done by experts in one line of study. Just as frequently, I think, the work is done by men who have a thorough knowledge of statistical methods, but who are not acquainted with the subject of inquiry. Very often it is done, of course, by people who know neither. But unless you have a man who is both a specialist in the particular line of inquiry and has a thorough statistical training, your statistical work will be unsatisfactory. And the main problem is therefore, I think, whether you have statistically expert men who are also trained in other special lines of inquiry.

Of course, the Department of Commerce and Labor is dealing in its statistical work with one large branch of inquiry pertaining to economics and sociology. A hundred years ago a man could be an economist in the general sense of the word, which meant that he was also an expert in taxation, labor problems, agriculture, foreign commerce, banking, and everything. But those good days are gone.

Mr. NORTH. Are you familiar with the plan of the Census Office in that regard?

Mr. RUBINOW. I don't exactly understand the question, Mr. North.

Mr. NORTH. You are speaking about the expert and the statistician.

Mr. RUBINOW. Yes.

Mr. NORTH. We in the Census Office get around that difficulty that you speak of by employing the best experts that we can find in the country in the particular inquiry that we are charged by law to make.

Mr. RUBINOW. Yes; you have to.

Mr. NORTH. Then we see that statistically that expert does not go wrong, and he sees that scientifically our statistics do not go wrong. We are about to begin a report on electricity, telephone, telegraph, etc. We have Mr. Martin, who has been our expert for the last seven years on that subject and is probably the best man in that line in this country. So from industry to industry, or from special inquiry to special inquiry, we get the best men we can find.

Mr. RUBINOW. Of course, that refers to those technical matters; but even that, I believe, is not the very best sort of arrangement, although, of course, an improvement upon the older methods. The man must combine in his own individuality both methods. Especially is that true of economic and sociological subjects.

Mr. NORTH. That is impossible in all branches.

Mr. RUBINOW. Yes; but in each individual branch it is possible. It is possible to have, and, in fact, we do have, men who are not only physicians, but specialists in vital statistics, and there are men who specialize themselves in agricultural statistics and also in other lines. Instead of being simply special economists they are specialists in agricultural statistics. But you have to combine both qualifications in the same man in order that he may understand the problems with which he is dealing and also handle these particular problems statistically.

Professor WILLIS. Right in that connection occurs to me one further thing in a way relevant to this same line of thought. Can a man who is called in as a consulting expert in that way do as good work as one who is well fitted for the subject and is continually devoting his thought and work to the production of a certain line of statistics?

Mr. RUBINOW. It seems to me the answer is contained right in your question.

Professor WILLIS. Namely—

Mr. RUBINOW. That, of course, a man can not.

Mr. ARSTIN. The statistics of the Bureau of Statistics are, of course, continuous things that go along steadily, and they are not monographs. The monograph work is quite separate, is it not?

Mr. RUBINOW. Yes; and the men who do the work are expert at it in a way. They have a long training and they know just what to do. Of course, that does not mean that I would say that the work

the Bureau of Statistics would not permit of any improvements. I agree with Mr. Rossiter that machines are a great improvement, and I am almost sure that if proper efforts be made the problem will be solved. There is naturally a little conservatism about using machinery on the part of people who have been working thirty or forty years under the old method.

Mr. NORTH. Was not that the reason why the attempt to introduce the machines at that office failed so completely?

Mr. RUBINOW. I could not tell, because I was not employed there at the time.

Mr. AUSTIN. I should like to put myself on record on that subject. In attempting to introduce the tabulating machines in the Bureau of Statistics I asked the inventor, Mr. Hollerith, to come to the Bureau of Statistics and study our methods, and he did so. Then I asked him to go to the New York custom-house and take up the study of the methods there, and he did so. Then I asked the chief expert of the New York custom-house to come here, and I put the best experts in the Bureau of Statistics with him and sent them to Mr. Hollerith at the Census Office to work out a plan by which the work of the tabulating machines could be applied to our office. They worked out a plan—they spent weeks upon it. Mr. Hollerith was just as earnest in it as he could possibly be; all these men I know were thoroughly interested in it. Then, after they worked out their plan the machine was brought to the Bureau of Statistics and was placed in charge of men whom I consider my confidential men. One of them was an expert machinist, thoroughly acquainted with machines, and the other was thoroughly acquainted with every feature of the work of the office. I said to them that if they succeeded in making this plan work I would recommend them for the next promotions in sight, and would also make them permanently the head men of the electrical compiling division, which would grow out of that. I know those men thoroughly. I have been in touch with them for ten years. They are men of my official life; they are part of my immediate staff; and I know that they were just as thorough, just as honest, just as earnest as they could possibly be; and I have no reason to doubt that the heads of the divisions cooperated with them with perfect integrity, because I gave them all my assurance that it should not be to the disadvantage of any of them, but, on the contrary, that every man who helped in it would be recognized by me when the opportunity for promotion came.

I want to put this on record with reference to that attempt to use the tabulating machine: This is not the first time that I have heard an intimation that the attempt failed because of unfriendliness on the part of somebody connected with the statistical work of the Bureau of Statistics and I think that is an unintentional error.

Mr. NORTH. If Mr. Hollerith can handle the accounts of the great firm of Marshall Field & Co. without any trouble at all—

Mr. AUSTIN. I think it would be possible by an entirely different system to have a duplicate of every manifest filed at a custom-house sent to the Bureau of Statistics, and have the cards punched here; but it would be an entirely different system from this, and one which would take a year's or two years' work to get into shape.

Professor WILLIS. Would not that involve cooperation with the Treasury Department?

Mr. AUSTIN. Doubtless

Professor WILLIS. I wish Mr. Rubinow would tell me a little more about the Library Division, if he can. Of course, that must be the work with which he is most directly concerned. Do you have anything to do with the Statistical Abstract, Mr. Rubinow?

Mr. RUBINOW. No; except in supplying a few tables dealing with foreign conditions.

Professor WILLIS. Your division is one of the main divisions of the Bureau of Statistics, is it not?

Mr. RUBINOW. Well, no; it is not one of the main divisions of the Bureau of Statistics, judging by the number of people employed. I notice that the Bureau of Statistics is considered simply as an organization which publishes the statistics of exports and imports and navigation, and is therefore compared to similar organizations publishing statistics in different countries. Therefore, I must plead for my division and other divisions—

Professor WILLIS. I should like to know about that, and how far that would profit by being transferred elsewhere.

Mr. NORTH. Are you the librarian?

Mr. RUBINOW. I am the so-called librarian, and when I use the word "so-called" I mean that the name of that division is a misnomer. The Library Division grew out of the library. I have five men, making six altogether in the division, and out of those six the entire time of one man and half the time of another man is devoted to the library, which I think is one of the best statistical libraries in this country. Four men and a half, you might say, are doing the work of compilation of foreign statistics, and I would certainly recommend that my division be called the "Division of Foreign Statistics," and that I be called what I am, an expert on foreign statistics, rather than a librarian, although the library is a part of my duties. And while we employ only five men, I think we turn out an enormous amount of work, and work by which the Bureau is known. The library answers hundreds of various inquiries pertaining to almost anything in the world statistical, and especially to statistics of commerce, although there is not a branch of statistical investigation about which we are not asked and which it is not my duty to answer, from conditions in Texas down to conditions in Hawaii, or statistics on any subject.

Professor WILLIS. Are you the officer who compiles material for use in Congress?

Mr. RUBINOW. Although I have not been long enough connected with the Department to have done the work during the sessions of Congress, I am prepared for doing a great deal of work for the Members of Congress when Congress is in session. In fact, I have done some work already for various high officers of this Government, making elaborate replies to inquiries from Mr. Fairbanks and others on all kinds of subjects. In addition to that, we publish monographs, and a great deal of work in monographs is done in our division, although other members of the Bureau of Statistics also help along in the work of monographs.

Professor WILLIS. Your division is in a way a sort of legislative consulting bureau, in part at least, for Congress and for anyone else that wants information?

Mr. RUBINOW. If I had my choice I would call it the "Division of Commercial Intelligence," because that is what it is.

Professor WILLIS. How far would that be improved by being moved to the Census Office?

Mr. RUBINOW. I can not see that it has any possible relation to the work of the Census Office. On the other hand, I am not sure but that if it were finally moved there we would have to stop the work. Most illogical combinations of that sort have existed and may exist, and so, of course, it would be entirely possible for the work of the Bureau of Statistics to be continued under the Census Office. Whether it would be logical or not is, of course, another question.

Professor WILLIS. What I mean is, how far would your work gain in economy, efficiency, and general usefulness were it so transferred?

Mr. RUBINOW. I do not see that it would be affected in the slightest degree, except that a possibility might arise that when they have a large piece of work on hand they would abstract my clerks, which is, of course, something I should not like to contemplate. Such things happen even in a small bureau like ours. When other divisions are overworked there is demand made for additional help, and I must say we need about ten clerks for the work those five men are doing. We do all that work, which requires knowledge of all statistics of foreign countries—I am not pleading here for increase in salaries, but I have only one man who gets \$1,500, one man who gets \$1,000, and the other three men get \$900. They know foreign languages and are familiar with statistical literature; one man is an expert librarian. I do not think that would be considered a high rate of remuneration.

Mr. AUSTIN. There is one feature which Mr. Rubinow has probably forgotten. That is in reference to the Statistical Abstract of the World.

Mr. RUBINOW. Oh, yes. That is, of course, not a small matter. We are giving all our spare time now to an enormous undertaking, the Statistical Abstract of the World. The first chapters were published some three or four years ago, and the work has been hanging fire because we have not sufficient help. It is a very important undertaking. Of course, it is not census work in any sense; we are not using primary material, but secondary material after it has been prepared by other people.

The CHAIRMAN. Of course it will be away behind the times.

Mr. AUSTIN. No; we are keeping it up year by year, Mr. Chairman.

Mr. RUBINOW. That, of course, is true of all statistics; but that is something that can not be helped, and in regard to a very wide review the slight delay of a year or two in statistics is not anything that is particularly harmful.

Professor WILLIS. Does your Bureau have charge of this Statistical Abstract of the United States at all?

Mr. RUBINOW. In my division?

Professor WILLIS. Yes.

Mr. RUBINOW. Very little, except that I supply some few tables in regard to foreign conditions. If I had my personal choice about it, I think we ought to do more. We ought to add a great deal more information in regard to foreign conditions to the Statistical Abstract.

Professor WILLIS. Have you any opinion as to where that ought to be handled?

Mr. RUBINOW. I do not think that the Statistical Abstract would gain anything by a transfer to the Census Office. I think that in that case the static figures of ten years recurrence would gain too much prominence over the record of what is happening each year. It would inevitably be so. I think that it would be the fault, and it is to some extent the fault, of any office that publishes a statistical abstract to underscore its part of the statistical work. If I may venture the opinion—I have not been long enough connected with the Bureau of Statistics, perhaps, to criticise its work, but I think it is to some extent the fault of our Statistical Abstract. It is not a faultless book; no work is. I think that the gentleman who conceived it deserves a great deal of credit, because we were in the field much earlier than many other countries. But I think the main fault of the Statistical Abstract is that too much attention is paid to one branch; and that will inevitably be so, so long as that general work is published by one office. The Statistical Abstract of the United States should be, in my opinion, the main statistical publication of the Government. It should answer all possible questions of a statistical nature that a layman asks himself, and it should not be devoted any more to one subject than it has to be. There must be some kind of harmonious arrangement between the various topics treated. Of course, internal and foreign commerce is a very important aspect of national life, but it is not paramount. I am sure that economists, people dealing with social problems, would want to see their side of the story a little more fully told; and I believe that since most people can not handle very many statistical publications, the standard statistical work should contain much more than it does now.

The CHAIRMAN. Of course, it would not be the Statistical Abstract of the United States, you know, Mr. Rubinow.

Mr. RUBINOW. Well, one does not need to be so particular about a name. Statistical yearbooks of foreign countries very frequently publish foreign statistics. In any case it should be made to be a Statistical Abstract of the United States rather than a Statistical Abstract of the United States Government.

The CHAIRMAN. Don't you think it would be a rather doubtful course to mix in with our statistics of the United States the statistics of foreign countries, in the same volume?

Mr. RUBINOW. I would not mix them in, perhaps. I would put them in a separate part of the volume. That is done in a great many European handbooks.

The CHAIRMAN. In view of the fact that many things that ought to be in this book are not touched on at all now, don't you think we can make the book fuller of our own statistics rather than put in statistics of foreign countries?

Mr. RUBINOW. Primarily so, yes; although I still think that statistics of foreign countries could be added. The book is not yet too large, but a great deal of space can be gained, I imagine, by a more just distribution of material. There is a natural feeling in every man who deals with statistics that his branch of the statistics is the most important one. If that book were transferred to the Division

of Vital Statistics, I dare say we would have everything pertaining to tuberculosis, but very little relating to commerce.

The CHAIRMAN. It is the tendency of bureaus to specialize.

Mr. RUBINOW. There is no harm in that.

Professor WILLIS. I would like to get one point brought out. Mr. Rossiter, I think, had the idea that a good deal more could be introduced into that book that is not there now, and I should agree with him on that point. What I would like to know is what proportion of the work now compiled in the Census Office should properly go into this volume, or rather what proportion of the volume ought to consist, ideally, of matter which is now prepared in the Census Office?

Mr. RUBINOW. It is hard to tell, of course, right now. I would favor some kind of a commission of experts to decide those questions; but it seems to me the great drawback of the Statistical Abstract is not that there is not enough space devoted to the census. There is sufficient space devoted to the census. There is very little devoted to State statistics, to municipal statistics, to social statistics, to labor statistics. I think those branches should be increased.

The CHAIRMAN. Your opinion, in general, is that it ought to be fairly well balanced?

Mr. RUBINOW. Yes.

The CHAIRMAN. Rather than 75 per cent of one particular thing and 25 per cent of another particular thing?

Mr. RUBINOW. I think that would be desirable.

The CHAIRMAN. Do you think there would be any advantage, either in organization or efficiency, in transferring the Bureau of Statistics to the Bureau of the Census?

Mr. RUBINOW. I might conscientiously say that I do not see it. It seems to me the name "Bureau of Statistics" is a misnomer to some extent. It is really a bureau of commercial intelligence or commercial statistics. The Census Office has never dealt with those problems. Of course, it may take in the Bureau of Statistics, take in its men, and continue to do its work. It would not make the slightest difference, it seems to me, except in so far as the central office might occasionally encroach upon the men.

The CHAIRMAN. Don't you think this is the weakest argument you have made this morning, that men may be called upon to help out another bureau?

Mr. RUBINOW. I do not know, Mr. Secretary. I think that it may occasionally be a very strong argument. I imagine the following situation: A new census has been started; all available help is necessary; and under those conditions, when there is a Congressional limit as to the time when the work has to be done, the importance of the work of commercial statistics may be somewhat minimized, and it might be said, "We can not bother with doing the work in such detail. We need the men."

The CHAIRMAN. Do you think the chief of a bureau or division who would let his clerks go and let his own work suffer and get behind would be worth his salary?

Mr. RUBINOW. He can not help it if he is under the direction of the chief of the larger establishment.

The CHAIRMAN. I have been in the Government service about ten years and I never have found a chief of a bureau who would let his

clerks go to the detriment of his own work. I have known one bureau of the Department of Commerce and Labor to strain a point to help out another, but they caught up with their work in a day or so afterwards. That is the only weak argument you have made this morning, in my opinion, that a bureau would be harmed by letting its clerks be drafted off. He would not be a man big enough for his position who would not go to the Secretary and protest against that.

Doctor NEILL. Mr. Chairman, in justice to Mr. Rubinow, I think his point has been missed. If I understand his point, it is that to attempt at the present time to draft men out of the Bureau is one thing, but if you have ten or fifteen divisions under one head there is liability to minimize the work of one part of it and enlarge the work of another.

Mr. RUBINOW. To meet emergencies.

Doctor NEILL. Let me give a concrete illustration. A number of States in the United States collect labor statistics and the same bureau has charge of factory inspection. One man comes in who is very much interested in factory inspection. For several years the bureau becomes a bureau of factory inspection. The man who succeeds him happens to be interested in statistics and not in inspection. The whole bureau shifts, and after another four years you have got a large part of the bureau devoted to that kind of statistics, and remnants of a division of factory inspection. That is what I understood Mr. Rubinow to mean; that he thought the danger would be that in too large a bureau one division of it might be transferred to another division, out of particular predilection of the head of the bureau, and the whole thing would bring about an overbalancing.

The CHAIRMAN. However, I think it is a little bit fanciful to say that the bureau chief or chief of a division will let his own work suffer to help out some other bureau. That has not been my experience in the Government service.

Mr. Rubinow, we are very much obliged to you for your splendid statement. It has been very illuminating and very interesting.

STATEMENT OF DR. MAX WEST,

Special Examiner, Bureau of Corporations, Department of Commerce and Labor.

The CHAIRMAN. Doctor West, you received a letter from me, did you?

Doctor WEST. Yes, sir.

The CHAIRMAN. Will you kindly give the committee your opinion as to whether or not it would be wise to make the transfer suggested in that letter, and your reasons for your answer, whichever way it may be?

Doctor WEST. Gentlemen, I realize that a good deal might be said on both sides of this question of centralization, and I shall not try to cover the whole ground, but comment on one or two points which have already been made, and then I should like to suggest another plan which I believe would serve the purpose of consolidation as well and perhaps better than consolidation.

It seems to me that, as was suggested, the Bureau of Statistics and the Bureau of Manufactures are so much more nearly allied than the Bureau of Statistics and the Census Bureau that if there were

to be a consolidation that would be the more appropriate one. A Bureau of Manufactures and Commerce would, of course, be much more than a statistical bureau, just as the Bureau of Labor is more than a statistical bureau. The work of the Bureau of Statistics, as I know it, is not census work, and is unlike census work both in the methods of collecting the statistics and in the methods of handling the statistics in the office. It seems to me, therefore, that a consolidation would be of less advantage in that case than in the case of two bureaus whose methods are more nearly alike. It is at least a question whether the Census Office methods could be made to apply to the Bureau of Statistics.

Mr. NORTH. What methods are you referring to now—mechanical methods?

Doctor WEST. Mechanical methods partly.

Mr. NORTH. Of course you are aware we use the other method quite as much as the mechanical and perhaps a great deal more.

Doctor WEST. I refer also to the sources from which the statistics come.

Mr. NORTH. What sources?

Doctor WEST. The Bureau of Statistics gets its data largely from the officers of the Government.

Mr. NORTH. We get our data very largely from officers of State and municipal governments.

Doctor WEST. The Bureau of Statistics' work is very largely a compilation from existing sources.

Mr. NORTH. That is exactly true of a great deal of our work.

Doctor WEST. I did think of suggesting that possibly the Statistical Abstract might be transferred to the Census Office with advantage. Now that we have a permanent Census Office, I think there might be some advantages in transferring that work, and it might be natural for the Census Office to publish a greater variety of statistics than a bureau that is confined largely to commercial statistics.

Professor WILLIS. What do you think of the relations of the division of customs of the Treasury Department and the Bureau of Statistics?

Doctor WEST. It seems a little anomalous.

Professor WILLIS. What seems anomalous?

Doctor WEST. That the Bureau of Statistics should have the direction of the customs officers to so large an extent.

Mr. NORTH. You think it was a mistake to transfer that Bureau from the Treasury Department, do you?

Doctor WEST. I would not go so far as that. It is a matter that I have not given any particular attention to.

The CHAIRMAN. They have no direction of the customs officers, Doctor West. The only thing they do is to call on the collectors of customs to furnish them with those various figures. The collectors of customs would have to furnish those figures just the same, and the bother would be just the same if the Bureau of Statistics were in the Treasury Department. It is simply a question of writing things down on sheets and sending them on.

Doctor WEST. If it can be made to work well in practice there can be no serious objection to it.

The CHAIRMAN. Collectors of customs do no original work. They simply transcribe certain figures from bills of lading onto sheets.

Doctor WEST. Yes. It is, perhaps, after all, very much like filling out a census schedule, which may be aside from a man's main work.

The principal advantage of consolidation, it seems to me, where the work is so different, and especially from the standpoint of the public that uses the statistics, would be in greater uniformity of classification—classification of commodities, and perhaps a greater uniformity in minor matters of nomenclature and method.

Professor WILLIS. Has not that already been obtained by unification of the schedules?

Doctor WEST. To some extent. It seems to me that the best way of attaining uniformity would be by the creation of a central board, council, or committee. If this committee, for example, were made permanent, the different bureaus being represented upon it, those matters could be decided, I believe, much better by a body of men than by any one man. The statistician needs nothing so much as to look at his problem from different points of view, and that can be done much better by a committee than by any one man. It would be a greater advantage, it seems to me, if all the statistical bureaus in the Government could be represented on such a board; but I believe that a great deal could be accomplished even by such a committee representing one Department.

Doctor NEILL. What do you mean by uniformity, Doctor West?

Doctor WEST. In the classification of commodities. For example, the classification used by the Bureau of Statistics ought to be the same, if possible, as the classification used by the Manufactures Division of the Census Office.

Mr. AUSTIN. To what extent does it differ now?

The CHAIRMAN. I might say, for Doctor West's information, that I think they have been made uniform, but they were not formerly.

Doctor WEST. Was that the result of consultation?

The CHAIRMAN. Yes.

Doctor WEST. I was going to say that the point I make might be illustrated by a little case in my own experience. Some years ago I was dealing with the statistics of the area of the United States. I found that the General Land Office had one figure, the Census Office another, and I think some other bureau a third. Professor Willcox moved for the appointment of a committee on that problem and finally got the matter straightened out.

Mr. NORTH. The three offices, you know, have cooperated in the unification of the areas, and they are all agreed now.

Professor WILLIS. Doctor West, you would say, would you, that to a great extent this extremely desirable end of harmony and unification of statistics can be obtained by consultation?

Doctor WEST. Yes.

Professor WILLIS. Without necessarily the organic union between bureaus?

Doctor WEST. Yes; but I think it would be much more likely to be obtained if there were a permanent committee—if it were somebody's business to get the different bureau chiefs or the different experts together.

Professor WILLIS. Doctor, I agree with you fully, but what I want to get at in connection with this inquiry is how far absolute consolidation is necessary in order to attain this end.

Doctor WEST. I do not consider that consolidation is really necessary to obtain uniformity.

Professor WILLIS. There is another point that strikes me: How do you think the business public of this country would regard the putting of the commercial statistics in the Census Office? Would they feel any differently toward the statistics from what they do now?

Doctor WEST. I really can not look at it from the commercial public's point of view, but I should think they might fear that it was subordinating the commercial statistics to census work. Of course, it is true that the Census Office does a great deal of work already that is of great advantage to the commercial public.

Mr. NORTH. The cotton work is purely commercial work.

Mr. AUSTIN. Do you mean the ginning reports?

Mr. NORTH. The reports on the production and consumption, both. It costs us about \$215,000 a year to do that work.

Mr. AUSTIN. The production of cotton and the consumption by mills of the United States?

Mr. NORTH. Consumption by mills of the United States and of the world.

Mr. AUSTIN. Then you deal with foreign commerce?

Mr. NORTH. So far as cotton is concerned. We do it under a special act of Congress, which is quite mandatory in its character.

Professor WILLIS. The point I had in mind, Mr. Chairman, was this: Some time ago it was proposed to consolidate the Bureau of Statistics in the Department of Agriculture with the Census Bureau. That was declined by Congress, after due consideration, on the ground, or partly on the ground, that the work of the Bureau of Statistics in the Department of Agriculture was necessary as representing agricultural interests. That is to say, the farmer felt more interest in assisting it and using its statistics than he otherwise would. What I wanted to get at was whether there was any such element to be considered here. I don't know how that would be.

Doctor WEST. I should hardly think that the commercial public would feel quite the same proprietary interest in the Bureau of Statistics that the agricultural public does in the Department of Agriculture and its bureaus.

The CHAIRMAN. It is pretty hard to get at that. That is mental attitude, is it not?

Doctor WEST. Yes.

Professor WILLIS. It is largely a question of judgment.

Doctor WEST. If there were a permanent committee, it would, of course, appoint its subcommittees on particular problems as they arise.

Mr. NORTH. That principle, Doctor, is not a new one. It was originally made, as I think you stated, perhaps by Professor Willcox. Of course, it has no bearing on this question except collaterally, because the two things could be carried right on together; consolidation could be effected and a committee appointed, and the consolidation of two or more bureaus with each other would not in any way

interfere with the work or the benefit of such a general statistical committee as you have suggested.

Mr. AUSTIN. It was suggested that the committee would avoid the necessity of consolidation, as I understood it.

Mr. NORTH. I think that suggestion of Professor Willcox was before the Keep Commission, was it not, Mr. Secretary?

The CHAIRMAN. Yes.

Mr. NORTH. It was also before the President's Commission.

The CHAIRMAN. Of course, in the Government as a whole organization there is a great deal of duplication of statistics. At the time the bill creating this Department went through Congress Mr. Crumpacker had made, in parallel columns, a list of the different bureaus collecting identically the same statistics; and it is surprising to see the duplication, not in this Department, but in the Government taken as a whole.

Doctor West, we are very much obliged to you.

Thereupon, at 12 o'clock m., the committee adjourned until tomorrow, Wednesday, October 9, 1907, at 9 o'clock a. m.

SECOND DAY.

WEDNESDAY, October 9, 1907.

The committee met at 9 o'clock a. m. in the office of the Assistant Secretary of Commerce and Labor.

Present: Messrs. Murray (chairman), North, Austin, and Willis.

STATEMENT OF MR. WILLIAM M. STEUART,

Chief Statistician for Manufactures, Bureau of the Census, Department of Commerce and Labor.

The CHAIRMAN. Mr. Steuart, will you please give the stenographer your full name and the position which you occupy?

Mr. STEUART. William M. Steuart, Chief Statistician for Manufactures, Bureau of the Census.

The CHAIRMAN. Mr. Steuart, from your knowledge of the organization and work of the Bureau of Statistics and the work of the Bureau of the Census, do you believe that it would be practicable to consolidate the two bureaus?

Mr. STEUART. Mr. Chairman, rather than give my opinion, yes or no, to that question, I would prefer to give a brief explanation of my connection with the work of the Bureau of the Census and with other bureaus of the Government.

The CHAIRMAN. That is satisfactory.

Mr. STEUART. When the Bureau of the Census was made a permanent office it naturally was placed in more close relationship to other permanent bureaus of the Government; and having that relationship, the Director of the Census was anxious to ascertain whether the other bureaus of the Government were engaged in the same lines of investigation as were being conducted by the Census Office, and if so, to avoid as far as possible any duplication or apparent duplication of the work. It fell to my lot probably to a greater extent than to

any other official of the Bureau of the Census to do work that came in touch with the work of other offices. I found that the work was so similar in some of them that it was necessary to make a formal cooperative arrangement. Such an arrangement was perfected with three or four of them. In others I found that the work touched the work of other bureaus in such a manner that if the results were compiled by the two bureaus they would apparently represent the same thing, but would not agree. In such cases where we found that the statistics for the other bureau were absolutely essential to the conduct of that bureau we omitted them from the Census reports, so that I think the Census reports were not as full as they should have been on that subject.

This feature of consolidation has, of course, been discussed at other times and I have made some reports on it. It strikes me that there are three propositions to be considered in making a consolidation:

First. Whether it would be advisable from an administrative standpoint; that is, whether it would effect economies. My opinion on that point is that at first it would not be any economy, and ultimately it would not be any economy unless the consolidation was made in such a manner as to give absolute control to some person over the personnel of the two bureaus. Possibly I am not in a position to give an opinion from the administrative standpoint.

Second. Would it result in elimination of duplication or tend to give a proper explanation of statistics on the same subject compiled by different branches of the Government but not agreeing?

The CHAIRMAN. Right there. Mr. Steuart, it is important for me to put this question to you before you begin the question of duplication. Do you know of any duplication of work in the Bureau of the Census and the Bureau of Statistics?

Mr. STEUART. Technically and absolutely not. There is a duplication at certain periods. Right now there is a duplication in the work of the Bureau of Statistics and of the Census Office.

The CHAIRMAN. Now, set that out as fully as you can, Mr. Steuart.

Mr. STEUART. The Bureau of the Census is now taking a census of transportation by water. The Bureau of Statistics collects information concerning the quantity of freight carried by water. The Census inquiry covers the quantity of freight carried by water. Certainly the two Bureaus are collecting statistics on exactly the same subject; and those statistics, if published by the two Bureaus, should agree absolutely. It is impossible to make an explanation of a disagreement that would be satisfactory to any person not connected with the two Bureaus.

Mr. AUSTIN. Mr. Chairman, may I ask that Mr. Steuart be a little more specific as to the points of disagreement?

Mr. STEUART. I did not say there would be a disagreement.

Mr. AUSTIN. My understanding has been that in this matter of transportation the Census Office is accepting the figures of the Bureau of Statistics on lake transportation.

Mr. STEUART. That is true; but unfortunately the figures that you give us for the lake transportation will not be in harmony with the figures on the same subject that we collect for other sections of the country.

Mr. NORTH. Why is that, Mr. Steuart?

Mr. STEUART. Because the figures for the lake transportation, as Mr. Austin has furnished them, do not cover the total quantity of freight carried.

Mr. NORTH. Do you mean they are not complete?

Mr. STEUART. Not complete.

Mr. AUSTIN. On the lakes, you mean?

Mr. STEUART. On the lakes.

The CHAIRMAN. In what way are they not complete?

Mr. STEUART. They do not cover the quantity of foreign freight, freight between ports of the same district, lighterage, and harbor traffic, or all of the freight originating on the St. Lawrence River but delivered at lake ports.

Mr. AUSTIN. Of course, we do not attempt to cover the foreign freight carried, because we have that in our statement of foreign accounts. That is the reason why to that extent our system is different from yours.

Mr. STEUART. Whether the figures do or do not agree, Mr. Austin, I do not care to have you think that I am criticising your figures, because I feel that when you are collecting statistics annually, as you do, you necessarily develop them along certain lines that you think are advisable and most convenient. When the Census Office takes a census of the entire country, we must cover everything.

Mr. AUSTIN. I am not criticising your statement at all, but I was surprised to find that there seemed to be a difference, because I supposed that since we were attempting to collect none but this particular class and supplying that to you we could not very well disagree.

Mr. STEUART. Yes; but they do not agree with the data for other sections of the country. The use of the data compiled by your office will not permit the Census to make a harmonious report for the United States.

Mr. NORTH. Is it a part of your theory, Mr. Steuart, that the same office should theoretically make both the annual and the decennial reports?

Mr. STEUART. Yes; I was coming to that later.

Mr. NORTH. I beg your pardon.

Mr. STEUART. As far as the duplication is concerned, there is technically very little between the bureaus of the Government. There is duplication probably when the Census Office takes a census of matters covered by annual reports of other bureaus. The feature of the duplication of work has not been so pronounced in my connection with the Bureau of Statistics as it has with other bureaus. Would you care to have me say anything about other bureaus?

The CHAIRMAN. Yes.

Mr. STEUART. The first indication of duplication of work occurred when we were arranging for the census of mines and quarries in 1902. The division of statistics of the Geological Survey takes an annual census of mineral industries, and it was natural to suppose that its annual reports should agree with the census of mines and quarries. The apparent duplication was so pronounced that Mr. North, who was then Chief Statistician, effected a scheme of cooperation with the division of statistics of the Geological Survey, and I worked out that system. When it was approaching its completion,

I made a report to him of the difficulties in connection with it. I have that report with me, and if you wish I can make it a part of this testimony.

Mr. AUSTIN. Does the difficulty still exist, or has the matter been harmonized?

Mr. STEUART. It has not been harmonized. The results do not agree.

The CHAIRMAN. The stenographer will incorporate the report in the record.

The report referred to is as follows:

DEPARTMENT OF COMMERCE AND LABOR,
BUREAU OF THE CENSUS, DIVISION OF MANUFACTURES,
Washington, June 13, 1903.

Hon. S. N. D. NORTH,
Director of the Census, Washington, D. C.

SIR: The act of Congress of March 6, 1902, provides that the Census Office shall take a census of mines and quarries, and during the past six months the Division of Manufactures has been engaged in collection of these statistics. This work has been carried on in cooperation with the United States Geological Survey, which collects and publishes annually statistics of a similar character. Arrangements were made with the Geological Survey for joint work on the supposition that that office, by reason of its regular annual work, was more familiar with the field to be covered and had better facilities for the collection of the statistics than it was possible for the Census Office to secure within the limited time allowed for preparation, and also because such an arrangement would tend to reduce the combined cost of the field work of the two offices and lead to uniformity in the results. The field work on this investigation is now drawing to a close, and I am preparing for the tabulation of the schedules and the preparation of the reports. With the completion of the field work the Census Office will sever its connection with the Geological Survey and the two offices will proceed with the preparation of their independent reports on the same subject.

The work has now proceeded far enough to convince me that a canvass of this character should never be undertaken under a cooperative arrangement of two independent offices, and also that, irrespective of the methods of collecting the statistics, the Federal Government should not publish independent reports on the same industries covering the same period of time. But if the provisions of the laws are enforced, the two offices will continue to collect statistics and publish independent reports unless they are consolidated. It is my belief that this consolidation should be made, and that the entire work should be placed under the supervision of the Director of the Census. My reasons for this conclusion are, briefly, as follows:

First. There will shortly be issued by the Geological Survey reports on each of the different minerals, to be followed immediately by reports from the Census Office on the same minerals. Almost all of these reports will be prepared by the same experts, and the text of the census reports will consist largely of a reproduction of the text of the Survey reports of the same or prior years. This useless and unnecessary duplication can be avoided by making one set of reports cover the work of the two offices. These combined should emanate from the Census Office, because they will contain statistics in regard to employees, wages, cost of operating, etc., which are peculiar to the Census and have no connection with the work of the Geological Survey.

Second. In order to make a complete presentation of the mechanical and manufacturing industries of the country, it is necessary at stated intervals to take a census of the mines and quarries. This census should be made by the Census Office and carried on in connection with the census of manufactures, similar schedules being used and the same period of time covered.

Third. The trend of industrial development is toward the consolidation of mining and manufacturing. Both processes are now carried on by the same establishments and for many minerals it is impracticable to obtain statistics concerning the quantity and value of the ore or rock as it comes from the earth, and therefore a large proportion of the values contained in the reports of the Survey are for manufactures rather than mining. Of the \$1,086,529,521 published by the Geological Survey as the value of minerals, etc., for the year

1901, \$590,855,257, or 54.4 per cent, represents the manufactured products. The following statement gives the value of each of these products of manufacture:

Value of metals and manufactured products of minerals in 1901.

All metals -----	\$518, 268, 377	Gypsum, ground and cal-	
Coke ^a -----	44, 445, 923	cined -----	\$1, 500, 720
Clay products ^a -----	110, 211, 587	Cobalt oxide -----	24, 048
Cement -----	15, 786, 789	Mineral paints and zinc	
Stone -----	41, 991, 536	white -----	4, 509, 962
Grindstones -----	580, 703	Graphite, crystalline -----	135, 914
Millstones -----	57, 179	Mica, sheet -----	98, 859
Oilstones, etc. -----	158, 300	Soapstone -----	394, 014
Borax, refined -----	697, 307		
Fluorspar, ground -----	34, 100	Total ^b -----	590, 855, 257
Salt -----	6, 617, 449		

It is impossible to make a complete census of manufactures without including a large proportion of the products now reported by the Survey. For instance, the cutting and dressing of stone and the manufacture of monuments, millstones, whetstones, etc., is in many cases done at the quarry. The manufacture of pig iron and the smelting and refining of gold, silver, copper, and other metals is done by companies who own the mines, and in many cases it is useless to attempt to obtain separate statistics for the two branches of work. Therefore, in order to eliminate duplication in the gathering of statistics and, at the same time, permit a full and properly segregated presentation of the statistics of manufactures, it seems necessary that either the collection of manufacturing statistics should be turned over to the Geological Survey or the collection of the statistics of the mining industries should be committed to the Census Office. Mining and manufacturing are interdependent. Prior to the census of 1870, the statistics for mines were included in the report on manufactures, and if the present tendency toward the consolidation of interests continues, it is my impression that it will be necessary to again consolidate the statistics.

Fourth. If it is necessary to collect annually the statistics for minerals, the work should be done by the same office that takes the census at stated periods. The lists of the names and addresses of the producers could then be kept correct to date and ready for immediate use at the census periods. The Census Office would be in touch with the industry and familiar with the information that would be of greatest benefit to the people interested.

Fifth. If information concerning the annual production of the manufactured products now included in the reports of the Geological Survey is not necessary for the proper administration of that office, why is it essential to gather the statistics more frequently than for other branches of manufacture? For instance, why is it necessary to know the annual production of salt, or soapstone, or of cement, which are included in the Survey reports, and not the annual production of textiles or boots and shoes, which are included in the report on manufactures of the Census Office. I believe that if annual statistics are gathered they should be confined to our most important products, and they can only be determined by considering all industries.

Sixth. In the future the census of manufactures is to be taken at five-year periods. It should be extended so as to include the mining industries, because it is impossible in many cases to segregate the statistics for the mining and manufacturing processes. If a complete census was taken at five-year periods, it is possible that the annual reports could be limited to the legitimate products of the mines.

Seventh. The annual reports of the Geological Survey are to some extent composed of estimates, it being impossible to collect annual reports from all mines both large and small. If this system of estimating is to be continued, it should be done under the direction of the Census Office, so the results can be harmonized with the totals obtained by the actual canvass made at census periods.

Eighth. The Division of Manufactures of the Census Office is required to prepare a list of the names and addresses of all manufacturing establishments,

^a Not included in total.

^b Does not include value of coke and clay products.

and also the character of the industry carried on in each. Many of these establishments are engaged in mining as well as manufacturing. The lists for the two branches of industry should be constantly compared to eliminate duplications, and at the time of the canvass they should be consolidated, so only one report will be required from each establishment. These lists prepared at the Census Office could be open to the constant use of the Geological Survey.

Ninth. The collection of statistics for mines and quarries should, as far as possible, be carried on in cooperation with the work of the State bureaus of mines inspection, State geologists, and other State officials who are charged with the collection of such information for State purposes. Similar arrangements should be made with State officials in regard to the collection of statistics for manufactures. Negotiations of this character emanating from the Federal Government should come from the same office, so the arrangements will be made on uniform lines. This is especially necessary in States where the same office is charged with the collection of statistics of mines, manufactures, labor, etc. It will lead to confusion if the same State office is in correspondence with the Division of Manufactures of the Census Office in regard to the collection of statistics of manufactures and with the Geological Survey in regard to the collection of statistics for mines and quarries, different agents being employed for the different branches of Federal work, or different arrangements being made in regard to pay, services, etc.

Tenth. I am not advised of the relations between the statistical division of the Geological Survey and the work of the other branches of that office, or of the necessity for a close and intimate relationship between the collection and publication of the statistics of minerals and the legitimate work of the Bureau, but the transfer of the division, or such portion of it as is engaged in statistical work, to the Census Office would not sever its relationship with the Survey. The statistics would still be compiled in the manner required by the Survey and would be at its command.

In a word, it is my belief that it is impracticable for two offices to do satisfactory cooperative work in the collection of statistics. The collection of all classes of statistics by the Federal Government from original sources should be under the direction of one office, in which the methods of preparing lists of establishments and conducting field work should be specialized and carried to the highest point of perfection. A force of agents could be kept constantly in the field and employed on different branches of investigation at the same or different times. This method would avoid the sending of more than one set of agents to the same territory and greatly simplify the collection of statistics.

Very respectfully,

W. M. STEUART,
Chief Statistician for Manufactures.

Mr. STEUART. The next feature of duplication arose in connection with the census of manufactures of 1905. As a part of that census we should have certain information concerning the rates of pay. The general average of wages as computed from the Census figures, which covered all classes of wage-earners, is not reliable, and the office explains that it should not be used. I spoke of that subject to Colonel Wright, who was then in charge of the Bureau of Labor, and told him I thought we ought to have something on the rates of pay. He took a very decided stand against that, and said that the rates of pay were something that it was understood the Bureau of Labor would handle entirely. So we omitted that from the census of 1905 and made a compromise, in a way, of getting what we called classified weekly earnings for the manufacturing industries.

I think the next duplication was in connection with the compilation of the cotton statistics of the Bureau of Statistics of the Agricultural Department. They compiled information concerning the distribution of the cotton crop, and, in a measure, of the consumption of cotton, and the Director effected a scheme of cooperation with that Bureau whereby that feature of their work was transferred bodily to the Bureau of the Census. And, I might say, that it

has been virtually abandoned because the work of the Census got the results in a more direct way and with very much less expense. I think the Bureau dispensed with eight or ten special agents that it had employed at odd times during the year to collect that information.

The next direct duplication of work arose, I think, in connection with the statistics of forestry for the Forest Service of the Agricultural Department, and we are now working under a scheme of cooperation whereby we do the work for the Forest Service and turn over to them the results. That is an annual collection of statistics. The Director was anxious to do that, because he thought that if annual statistics were to be collected they should be collected by the office that makes the census.

Mr. NORTH. Twice in ten years?

Mr. STEUART. Twice in ten years.

Mr. NORTH. That is to say, that two years out of the ten the ground would be gone over twice except for some arrangement of this kind?

Mr. STEUART. It is absolutely impossible for a man to take a census of the entire country for a given year and make the statistics for that year agree with the statistics collected annually by some other bureau, even for the same time.

The CHAIRMAN. The statistics collected by the other bureau not being an enumeration, as you understand it, by the Census, but collected from other sources?

Mr. STEUART. From other sources.

Mr. NORTH. And they always fall short.

Mr. STEUART. Even if they are collected by actual enumeration, that enumeration being conducted in another bureau, the results of the two bureaus will not agree; and if they are published as the totals of the same subject it will be confusing to the public, and you can not give a satisfactory explanation of it.

The CHAIRMAN. I think it is the history of our statistical work in this country that wherever we had duplication in two bureaus the results would never agree, and it has resulted in friction sometimes, and always in criticism from the public.

Mr. STEUART. Always.

The CHAIRMAN. And, consequently, a lack of confidence in the statistics by the public using them.

Mr. NORTH. We have steadily aimed, whenever we saw that this duplication must occur, to effect some kind of working arrangement with the other bureau, no matter what Department it was in; and I think that we have succeeded in doing it in every case, have we not?

Mr. STEUART. I think I have handled most of them. I have, in every instance, made some kind of a working arrangement, but the working arrangement has not always been what I would consider satisfactory.

Mr. NORTH. From an administrative point of view they are usually pretty hard on us, are they not?

Mr. STEUART. Well, in order to make any arrangements at all I have had to sacrifice what I thought were essential features of the Census work. This point is pertinent in that connection. The Bureau of Internal Revenue collects annually statistics of the quantity of materials used in the manufacture of liquors and cigars. To be

complete, the Census should have information concerning the quantity of materials used in these industries during the census year; but I have been for years endeavoring to harmonize the results of prior censuses on that subject and could not do it, and in this last census we omitted it entirely.

Mr. AUSTIN. You mean you have been trying to harmonize the figures of prior censuses with those of the internal revenue for the same year?

Mr. STEUART. Yes, sir; and if the figures of the internal revenue are published as the quantity of materials consumed, and the Census publishes its figures of the quantity of materials consumed, it is confusing to the public, and we have omitted that class of statistics from the Census reports for that reason.

Mr. AUSTIN. Of course, there might arise, Mr. Chairman—with all due respect to the Census methods—a question as to the relative accuracy between the people who are doing these things annually and the people who are doing them decennially. It is undoubtedly true that these things ought to harmonize, and if there is any shade of difference as to the methods, they should adopt the more accurate and better method. But, of course, there might be a question as to whether the methods used by those who are now doing them annually are better or worse than the methods of those who do them decennially.

Mr. STEUART. I think that as far as the Bureau of Internal Revenue is concerned it is absolutely necessary for them to know the quantity of materials consumed in the liquor and the cigar and tobacco industries, and their figures are much more accurate than the Census Office could collect on the same subject.

Mr. NORTH. They get their figures under oath, do they not?

Mr. STEUART. Under oath, and I think they have a representative at each distillery and each brewery to ascertain the quantity of liquor that is produced from a given quantity of material; their gaugers and other officers attend to that.

The CHAIRMAN. Then why, Mr. Steuart, do you not take these figures absolutely instead of omitting them?

Mr. STEUART. Well, we do use them, but we can not compare them with our value of products.

The CHAIRMAN. I don't quite understand you. Using that as a basis, you can not carry out your calculations on the other figures which you get?

Mr. STEUART. Yes. The other figures we get directly from the distiller. He gives us the value of his products for the year. It is supposed to be based on the materials he has reported to the Internal Revenue, but very often it is not. A large percentage is not, and it would not be fair for us to compute the cost of materials as reported to the Internal Revenue and put it in comparison with the value of products reported to the Census Office.

The CHAIRMAN. Have you ever addressed your attention to the possible explanation of that discrepancy?

Mr. STEUART. Yes, to some extent, but not in great detail, because I obviated the difficulty by getting the total cost of materials to place in comparison with our cost of products.

The CHAIRMAN. I can see why, that not being an exact science, there would nevertheless be a variation.

Mr. NORTH. Oh, yes.

Mr. STEUART. There undoubtedly would be. I can take their reports and probably trace out where the difference was, but I have not considered that as yet.

The CHAIRMAN. Of course, the whole subject of cost of production would enter into it, would it not? He gives you the value of his products, does he not?

Mr. STEUART. Yes.

The CHAIRMAN. He gives the Internal Revenue Office the amount of material used?

Mr. STEUART. Yes.

The CHAIRMAN. Now, the whole question of cost keeping would come in there and explain some little variation?

Mr. STEUART. Yes.

Mr. NORTH. He gives us all his expenses?

Mr. STEUART. All of them.

The CHAIRMAN. Is that all you want to say on the question of duplication, Mr. Steuart?

Mr. STEUART. No; there were some other matters. The Census Office compiles statistics of the electric railways of the country, and to some extent the Interstate Commerce Commission collects statistics of electric railways. There is not an exact duplication there, but it is essential that the Census Office and the Interstate Commerce Commission have the same general form of schedule to apply to the railway companies, and we are now in negotiation with the Interstate Commerce Commission with a view of adopting a schedule of uniform character. The same Commission collects statistics of the express business, which the Census Office has to collect, and we have to use the same schedule or the results will not agree.

The Bureau of Fisheries collects annually statistics of fisheries, and we have come to an understanding with that Bureau in regard to the scope of the next census of fisheries. It has got to be along the same lines or it will not agree with their annual reports of fisheries. The executive civil service bulletin that the Census Office has prepared did duplicate in a measure the work of the Official Register of the Interior Department.

Mr. NORTH. That is now rectified by the transfer of the Official Register to the Census Bureau.

Mr. STEUART. So you see that the work of the Census Office has come into touch very definitely with some bureaus and not so definitely with others. There are very few bureaus that I think could be transferred bodily to the Bureau of the Census with advantage. The work of a good many of the bureaus, though, could be modified so as to bring it in more direct harmony with the Bureau of the Census, and I think be of advantage. The only two bureaus that I believe could be consolidated bodily, with any possibility of advantage from an administrative and statistical standpoint, are the Bureau of Statistics and the division of statistics in the Geological Survey.

Mr. AUSTIN. You do not include the Bureau of Statistics of the Department of Agriculture?

Mr. STEUART. I do not.

Mr. NORTH. The Bureau of Statistics of the Department of Agriculture does very little statistical work, Mr. Austin. Most of their time estimating.

The CHAIRMAN. That is your answer, then, to my first question—do you believe it would be practicable to consolidate the two Bureaus?

Mr. STEUART. Well, there are three points in connection with that. Two of them I have given, the administrative standpoint and the avoiding of duplication. The third is, if you desire to preserve in its entirety the work of any bureau I do not think it is an advantage to combine it with the Bureau of the Census.

Mr. NORTH. Just what do you mean by that?

Mr. STEUART. I mean that if, for instance, you were going to combine the division of statistics of the Geological Survey with the Bureau of the Census, it would necessarily result in an elimination of some of the work now being done by the division of statistics of the Geological Survey, because that division collects, in connection with its mining industries, statistics of a good many industries that are manufactured, and they would be assigned to another branch of investigation.

The CHAIRMAN. That elimination would naturally follow, would it not? I mean, you could not consolidate and still preserve duplication and other points where they impinged on each other.

Mr. STEUART. If you transferred the Bureau of Statistics to the Census Office, I think it would undoubtedly result in an elimination of some of the work now being done by the Bureau of Statistics.

Professor WILLIS. May I interrupt at that point? I should like to know what features of the Bureau of Statistics would undoubtedly be eliminated in that way.

Mr. STEUART. I think that would have to develop, Professor Willis.

Professor WILLIS. Do you think you can state those?

Mr. STEUART. Well, I would rather have the man who was running the Bureau say, after he got the Bureau, which would be eliminated.

Professor WILLIS. Is not that a rather important point, though, if I might suggest, in determining the question whether to consolidate the two? That is, doubtless there is a clientele who are interested in all of the different branches of the work of the Bureau of Statistics.

Mr. STEUART. Yes.

Professor WILLIS. Now, I should think it would be very desirable to know that in advance.

Mr. STEUART. Well, I think that if the Bureau of Statistics were consolidated with the Bureau of the Census the Statistical Abstract now being published would be consolidated and the Census statistics included in the Statistical Abstract would appear only in one abstract. I think that the statistics of telephones, for instance, being published by the Bureau of Statistics, would be confined to the statistics of telephones compiled by the Bureau of the Census and not derived from commercial sources. I think that the statistics of transportation and internal commerce should probably be confined to the census of internal commerce and not to statistics collected from commercial organizations and bodies throughout the country.

Professor WILLIS. You feel quite sure about that latter point, do you—about the statistics of internal commerce?

Mr. STEUART. As far as they are covered by a census of internal commerce, yes.

Professor WILLIS. That strikes me as a very interesting point. Mr. Steuart, because of the growing interest in these statistics of internal commerce in connection with this new waterways project. I think I have heard more expressions of interest lately in those statistics of internal commerce than in any other branch of the work of the Bureau of Statistics. Now, if those are to be reduced or limited in amount, it strikes me that that is a very important point. I am glad that has been brought out.

Mr. STEUART. Well, if they were important, as you say, I do not believe that they would be eliminated.

Professor WILLIS. That is, you do not feel sure that that part of the work would?

Mr. STEUART. No. That is to say, I am not in a position to say which would be eliminated and which would not.

Professor WILLIS. You think some parts of the work are now of small importance and those would be cut off?

Mr. STEUART. Yes; and that it would avoid the publication of the same class of statistics by two bureaus of the Government.

Mr. AUSTIN. Mr. Chairman, let me suggest that at present the Bureau of Statistics publishes statistics of this character once a month, while the Census publishes them once in ten years; so that naturally there is quite a difference in the two lines of work.

The CHAIRMAN. It is not Mr. Steuart's idea, of course, that in the event of a consolidation the statistics would be published only once in ten years?

Mr. STEUART. Not at all.

Professor WILLIS. Then I confess I do not get his idea. I understood you to say that probably that was one of the things that would be curtailed.

Mr. STEUART. Yes; I said that as far as it was covered by the Census it would at least be a complete enumeration for one year, and if, as Mr. Austin now contemplates, the system were extended so as to collect a complete report of the transportation by water on the Atlantic and Pacific and the Mississippi River, as well as the lakes, it could be made an annual presentation.

Professor WILLIS. But not monthly, as at present?

Mr. STEUART. Well, I should not say monthly.

Professor WILLIS. I am interested in that question, you know, from my own standpoint.

Mr. STEUART. Your reference to that, Professor Willis, reminds me of the fact that the Government is collecting and publishing monthly and annually statistics on a great many unimportant subjects—unimportant as compared with much more important subjects. The Geological Survey gets annual statistics on the production of the most minute mineral and products of a mineral, while the large industries of the country, such as the textiles, for instance, and boots and shoes are published every ten years.

Mr. NORTH. Every five years.

Mr. STEUART. Every five years now: it used to be every ten. It seems to me that is not right. If the Government is going to publish annual statistics, it should select industries that are of the greatest importance and publish those annually. What I

particularly was the publication annually, for instance, of the value of millstones, which is \$57,000, or grindstones, \$580,000.

Mr. NORTH. Corundum and feldspar and all those things.

Mr. STEUART. Salt is, of course, an important industry. That is \$6,000,000; but there are many that are of greater importance than that as far as value is concerned. There is cobalt, \$24,000, and other things for which they collect and publish statistics annually. Of course they are all important, but I do not think they are of as great importance as others.

Mr. NORTH. They are collected also without much, if any, cost. It is done by correspondence.

Mr. STEUART. Yes, it is done by correspondence; and when correspondents do not make returns they are estimated.

Professor WILLIS. I wish very much that we might get at the lines along which there might be elimination in case the Bureau of Statistics were transferred.

Mr. STEUART. Their collection of customs statistics, of course, is of a great deal of interest, and if there was a transfer certainly the men who have been employed for years in compiling those statistics of customs should be continued on that class of work, because it requires a great deal of knowledge and skill that it is impossible for a raw man to have.

Mr. AUSTIN. By the term "customs" you mean the general figures of foreign commerce, I suppose?

Mr. STEUART. Yes.

The CHAIRMAN. Professor Willis is not directing himself to the question of personnel at all. He is directing himself to the question of what statistics could possibly be eliminated.

Professor WILLIS. And what portions of the work in general in the Bureau of Statistics would naturally be either eliminated or considerably curtailed were the work to be transferred to the Census.

Mr. STEUART. I do not think that the foreign-commerce figures could be touched logically.

Professor WILLIS. Would you think that the work of the division which I think Mr. Rubinow yesterday said ought to be called the "Division of Commercial Intelligence" could be maintained equally well and would it be likely to be maintained if transferred to the Census?

Mr. STEUART. What is that work?

Professor WILLIS. That work consists largely in answering inquiries and preparing material for Congressmen and people who are legislating on the subject.

Mr. STEUART. I think it is very essential that work of that kind should be done in one place for the entire Government, and under one supervision.

Professor WILLIS. Does the Census do some of that now?

Mr. STEUART. A great deal of it.

Mr. NORTH. We do an enormous quantity of it.

Mr. STEUART. And I feel quite confident that, it being done by two bureaus, the results are not in harmony. I think that would be curtailed a great deal by one man directing it.

The CHAIRMAN. Do you not mean that the product would be curtailed; you mean that all the work would be done, but the method of doing it would be coordinated and unified?

Mr. STEUART. Yes, sir.

Professor WILLIS. Who is in charge of that work in the Census Bureau now?

Mr. STEUART. The Director can answer that question better than I.

Mr. NORTH. All that work practically comes over my desk, and the inquiries from Congress and various Government bureaus, and in fact from all sources, are distributed to the divisions where the best resources for answering the particular question exist.

Professor WILLIS. I was simply wondering if there would be a saving by having that division transferred.

Mr. STEUART. I think there would be. As it is now we sometimes compile the information desired by Congressmen from the Bureau of Statistics reports. Sometimes we answer the letter in part and refer it to the Bureau of Statistics.

Mr. NORTH. There is a great deal of that double answering that is made necessary by the existing situation. Letters containing questions which relate partly to the work of the Census and partly to the Bureau of Statistics reach the office every day.

Mr. AUSTIN. In our office we have many letters, parts of which have to be referred not only to the Census Office but to the Treasury, the War Department, the Department of Agriculture, and nearly every Department; so the combination in one place of all statistics with which to answer inquiries would mean the bringing of all the statistical work of the Government from the various Departments into one organization.

Mr. NORTH. Of course the Census answers a great many of these letters direct; that is, it does when it can.

Mr. STEUART. Would it not be much better if there could be some central place where all such inquiries could be answered?

Mr. AUSTIN. Yes: if it were possible.

Mr. STEUART. I do not know that it is possible.

Mr. AUSTIN. It would be a very unusual thing for any one organization to be able to answer properly all inquiries regarding the affairs of the Government, in whichever Department they might be.

Mr. STEUART. Probably the most serious feature of this work from my standpoint, Mr. Chairman, I have not referred to, and that is that when we organize for a census of any of these subjects that are covered by the annual reports of the other bureaus we are constantly met with the statement of the manufacturers or shipowners that they have made reports on this subject to the other bureau, and they do not understand why it is that they have to make a report annually to one bureau and then at certain periods make it to two bureaus covering the same year. It has been a very annoying feature in the census work. When we started this water-transportation census we found that the Bureau of Statistics had entered the field annually and had collected portions of the information, and that they were negotiating with the coastwise steamship companies to give them annual or monthly reports; and immediately the steamship companies objected to the Census Office also collecting information on that subject. Mr. Austin very nicely withdrew from the field after we had presented the case to him, but he now, I believe, is going to resume.

Mr. AUSTIN. I desire to do so. I have made no practical effort in that direction.

Mr. STEUART. His schedules, as developed in his annual statistics, will naturally be along the lines of least resistance; and when the Census Bureau again takes a census the question will be, Shall we take his figures, that have been collected annually and do not show the entire water traffic, or shall we take a census for the year, endeavoring to get the entire water traffic?

Mr. NORTH. Do you believe that an annual report on internal commerce is essential?

Mr. STEUART. For our staple commodities, where there are certain points of shipment and delivery, so that they could be collected without great expense, I should say yes.

Mr. AUSTIN. What do you think of the advisability of extending to the ocean freights a plan such as you have on the Lakes; for instance, collecting statistics of the quantity of products transported on the Atlantic coast between ports?

Mr. STEUART. I do not think, Mr. Austin, that it would be practicable to obtain, annually or monthly, the total quantity of even the great articles transported on the Atlantic coast between ports. It would be a very expensive task to get it correctly. It could not be done by correspondence or reliance upon the steamship companies to furnish the information. It would naturally lead to the employment of agents to visit the shipowners and get the information, in order to have it accurate and complete.

Mr. NORTH. How much did it cost us to collect that information from the Atlantic coast?

Mr. STEUART. Twenty-three thousand dollars just for the Atlantic coast.

Mr. AUSTIN. You took in the Gulf coast, did you not?

Mr. STEUART. Yes; the Atlantic and Gulf. We mailed schedules to the owners of every vessel and craft and sent repeated requests, but finally we had to divide the whole coast into districts and send agents to collect the information; and I know of shipowners that the agents were in negotiation with for six months, visiting them week after week, before the reports were secured.

Mr. AUSTIN. That could probably be reduced materially if the system were fairly put into operation with the understanding that it was to be continuous year after year. Would not the relative cost per annum be materially less?

Mr. STEUART. If you can persuade these men, who are now fighting against it, to make these reports, yes. But there is such an interlacing of traffic on the Atlantic coast and in the harbors on the Atlantic coast that it is impossible, I think, to obtain accurate statistics for the transportation of freight, certainly between different places in the same harbor, such as at New York, between Bayonne and New York, Jersey City and New York, Jersey City and Hoboken, and other places in the immediate neighborhood.

Mr. AUSTIN. I recognize the difficulty. Then would you advise managing it all together?

Mr. STEUART. Unless there is great demand for it I should say it ought to be done decennially. Certainly I would not advise collecting statistics of that character annually and not collecting statistics of our great manufacturing industries or of agricultural pursuits in certain lines.

Mr. AUSTIN. Then your judgment is, rather than attempt to collect information regarding coastwise commerce it had better be abandoned altogether, decennially as well as any other time?

Mr. STEUART. The freight carried?

Mr. AUSTIN. Yes.

Mr. STEUART. Yes. There are other features that show the magnitude of our commerce on the Atlantic coast and which can be ascertained much more readily than the freight.

Mr. AUSTIN. What are the other features?

Mr. STEUART. The number of vessels, their tonnage, the character of their construction, their gross income for the year (which they report very readily), the number of people employed in their operation, and the amount they are paid annually in wages.

The CHAIRMAN. And the number of passengers carried also?

Mr. STEUART. Yes, and the number of passengers carried.

Mr. AUSTIN. If you take the number of passengers carried, why should you not take the number of tons of coal carried, the number of thousand feet of lumber, and these other things which you think ought to be abandoned?

Mr. STEUART. Because the number of passengers carried is much more accurately kept than the number of tons of miscellaneous freight carried. Take coal, for instance. In order to find the quantity of coal shipped from Bayonne to different ports on the Connecticut coast, you would go to one of the coal companies that operates a number of barges carrying coal from Bayonne. These barges deliver coal at Brooklyn and at other ports up the East River, and then on up the coast of Connecticut. I have three or four men working with those coal companies, and you would be surprised at the quantity of estimates we have had to prepare in order to get an approximation of the coal distributed by ports. It would be a very expensive piece of statistical work, and I doubt whether it would be as valuable as other branches of statistics that are being neglected entirely. Of course, that is a matter of opinion.

Professor WILLIS. There is one point that I would like to ask you about right there. Is not your testimony, Mr. Steuart, rather in favor of changing the character of work done by the Bureau of Statistics than it is of consolidating it with the Bureau of the Census?

Mr. STEUART. In order to change the character of the work of any bureau, where the work of two bureaus is along the same lines, it seems to me that it is necessary to make a consolidation. If you were conducting a corporation, I do not think there would be much hesitation on that feature of the work. If they were of the same general character, they would be placed under the same head. They would not attempt to trim the work of these two bureaus by the appointment of a committee to consider the advisability of cutting off some of the work of one and some of the other.

Professor WILLIS. What I want to get at is whether that radical change in the work now done by the Bureau of Statistics can be brought about, supposing it to be a desirable change, without this consolidation, or whether consolidation is the absolutely indispensable means of producing the improvements which you suggest in the work of the Bureau of Statistics. If I understood you, you have produced a good deal of harmony and have more or less modified the statistics collected by quite a number of other offices in the Census

ment through your negotiations with them and other adjustments. That is true, is it not?

Mr. STEUART. Yes.

Professor WILLIS. Could not the same results be obtained through an adjustment of the work of the Bureau of the Census and the Bureau of Statistics, so far as any adjustment was necessary there, or through changes directly introduced into the work of the Bureau of Statistics along the lines that you have pointed out?

Mr. STEUART. I do not think that there could be any effective change in the work of a bureau as conducted independently. What we have accomplished in that line, Professor Willis, I do not think is permanent. The division of statistics of the Geological Survey is proceeding just exactly as it has heretofore. It includes in its statistics of mineral industries a vast amount of manufactured products, and, I presume, will do so. From their standpoint, it is correct. They want to know it. But from a broad view of the statistical work of the Government, I do not think it is correct. If the Bureau of Statistics continues as an independent organization, it will no doubt magnify the importance of coastwise traffic. It will be natural for them to do it. That is their line of investigation, and that would develop the annual statistics of the coastwise traffic.

Professor WILLIS. The thing I do not quite understand, Mr. Steuart, is the apparent idea that improvements can be made only by and through the Census; that is, that no improvement can be attained toward proper presentation of these statistics in any other way. Of course, you do not mean to say that?

Mr. STEUART. I do not think I have said that. I said it is my opinion that it could be more effectively done by consolidation of the Bureaus.

Professor WILLIS. Yes; and I want to get at the reason why that would be true—why you could not get at these results in another way.

Mr. STEUART. My reason for saying that is that the Director of the Census takes an annual census of transportation by water, for instance. He would know the cost of that census and the relative importance of it compared to other census investigations on industrial subjects, and would conclude that the annual presentation of the statistics of transportation by water should be omitted and not collected. I think that is an example of how it could be more effectively done.

Professor WILLIS. Would not that mean that it would be more effectively done by not doing it at all? That is to say, that the knowledge of the cost and everything would lead to elimination?

Mr. STEUART. Yes; that would be the only source, I think, except by the use of the clerical force in other lines of investigation, which would result in a larger economy as a whole in the collection of statistics.

Professor WILLIS. Is it not true that these statistics of commerce have developed very largely as the result of a demand from the commercial public?

Mr. STEUART. I suppose so.

Professor WILLIS. Then they must fill some place, of course. Then is it not true that the real question of their worth is whether

the amount spent on them is worth while in order to meet that demand from the commercial public?

Mr. STEUART. As compared with the same conditions in other industries, yes.

Professor WILLIS. Do you know what the cost of collecting these statistics of internal commerce is now?

Mr. STEUART. I do not.

The CHAIRMAN. How much was it; \$4,500?

Mr. AUSTIN. Four thousand five hundred dollars.

Mr. STEUART. But they are not complete, are they?

Mr. AUSTIN. We do not expect it to be complete except on the lakes. Of course, we show the collection at certain great interior points of wheat, corn, and cattle, and the movement out of those points of flour and meats and that sort of thing; and we do attempt to cover thoroughly the movements on the lakes.

Mr. STEUART. Just for my own personal information, Mr. Austin, I would like to know whether you would consider it advisable for the Census Office to publish your freight figures on the Great Lakes as representing the entire traffic on the lakes. The Census Office puts on its schedule a question with which you are familiar, as to the total quantity of freight carried during the year, and segregates this for the principal commodities. We have obtained for every vessel an estimate of the total quantity of freight carried, no matter whether it went to foreign ports or ports lying in the same district. Now, your figures for the Great Lakes do not cover at least one of those items. Would it be right for us to place your figures for the Great Lakes in comparison with the figures obtained by the Census schedule for the Atlantic coast, saying that of the total freight carried in the country such a percentage was carried on the Great Lakes?

Mr. AUSTIN. Yes; of the total freight carried in the country, if you wanted to put it in that way; because the difference between your figures and ours on the Great Lakes, as I understand it, is that you include in yours the figures of foreign commerce; and that would hardly enter into a statement of the total freight carried in the country, would it?

Mr. STEUART. Well, no; not the foreign commerce; the freight between ports of the same district and that lightered in and around the harbors.

Mr. AUSTIN. Between the subports?

Mr. STEUART. Yes; the subports. We get the total quantity of freight carried by each vessel during the entire year.

Mr. AUSTIN. That might make a difference of a fraction of 1 per cent.

Mr. STEUART. It is a difference that has to be explained in the text, and the explanation is necessary, because we get the figures from your office and do not collect them in the same general way that we apply to all the rest of the country, and it necessarily has to be applied to all the rest of the country. Now, that is just the point I am endeavoring to make clear.

Mr. AUSTIN. That is the result of experiment, of course, in taking our figures which relate to the Great Lakes, which we take monthly, and comparing them with those which you have taken decennially

with reference to another section and in which you have included certain things which we do not include on the Great Lakes.

Mr. STEUART. I do not want to be understood as saying that your figures for the Great Lakes are not as accurate as the figures which we would have collected for the same waters. They may be more accurate, for all I know. It is a question of method and comparison; and I repeat that undoubtedly the annual collection of statistics on any line leads to greater skill and perfection in that line. I would like to see annual statistics collected for every branch of industry. Whether it is possible to do it or not is a practical question.

Mr. AUSTIN. Let me say, Mr. Chairman, that this work of collecting statistics for the Great Lakes is one which the Bureau of Statistics is carrying on without authority of law. Whatever we get, we get purely by the courtesy of the people engaged in that commerce.

The CHAIRMAN. Have you gone far enough with this census of inland transportation to come to any conclusion as to how you will come out in the results with the figures which have been collected by the Bureau of Statistics?

Mr. STEUART. We do not collect figures on the same line.

The CHAIRMAN. You do on these waterways, do you not?

Mr. STEUART. No; we agreed with the Bureau of Statistics that they should withdraw from the field, and they have—except on the Great Lakes, and we take their results for the Great Lakes.

The CHAIRMAN. I know; but on this movement of freight you will take up the same question, will you not?

Mr. NORTH. They are out of the field.

The CHAIRMAN. I know; but they have been collecting it for years.

Mr. STEUART. No; their inland commerce is the railroad traffic.

The CHAIRMAN. And lake?

Mr. STEUART. And lake. We take their lake figures, you see. And that is the point—they will not agree with the figures of the rest of the country collected by the Census schedule.

Professor WILLIS. I should like to ask Mr. Steuart on one point that was brought out yesterday. I think it has been partly covered in what you have already said. That is, the question whether you think the compilation of the statistics of foreign commerce as such could be more cheaply effected in the Census Office than it is in the Bureau of Statistics.

Mr. STEUART. I am not familiar with the methods of the Bureau of Statistics and can not answer that question.

Professor WILLIS. You have a system of cost accounting in the Census Bureau, I think, though?

Mr. NORTH. We have.

Mr. STEUART. Yes; but there is no line of work that is exactly the same as that followed in the statistics of foreign commerce.

Professor WILLIS. Would it not be possible to have an accurate estimate made on that subject during the work of this investigation?

Mr. STEUART. I do not think so. Of course, it could be done, but it would be very expensive for the Census Office to compile the statistics for a year.

Professor WILLIS. I mean an estimate of the cost of compiling them.

Mr. STEUART. I do not think that estimate could be made intelligently, unless we had some practical experience in the compilation.

Professor WILLIS. Then, it is not possible to say positively that there would be an economy in dollars and cents in transferring that part of the work?

Mr. STEUART. I certainly could not say positively.

Professor WILLIS. Do you think there is any possibility of saying that without experience?

Mr. STEUART. I would rather confine my answer to what I know about it.

Mr. AUSTIN. Do you think, Mr. Steuart, that there would be likely to be increased accuracy or promptness of presentation of the foreign-commerce statistics through the consolidation of the Bureau of Statistics with the Census?

Mr. STEUART. I think, Mr. Austin, I said it is my opinion that men who have been for years engaged in the compiling of the statistics of foreign commerce should be continued on that work.

Mr. AUSTIN. Then I infer that you mean to reply that you do not see that would be likely to increase accuracy or increase promptness of presentation.

Mr. STEUART. I have given no consideration to that subject.

Mr. AUSTIN. It seems to me that this whole question is whether consolidation would reduce expenses, increase promptness of presentation, increase accuracy, and, perhaps, increase the fullness and detail of the presentation, and that is why I am asking if you think this would accomplish any of these things.

The CHAIRMAN. Have you anything to add to what you have already said, Mr. Steuart?

Mr. STEUART. No; I think not, sir. I simply desired to bring out the three points—economy in administration, elimination of duplication, and the question of preserving the work of the Bureau in its entirety.

The CHAIRMAN. We are very much obliged to you, Mr. Steuart.

STATEMENT OF MR. WILLIS J. FOWLER,

*Chief, Organization Division, Office of the Comptroller of the Currency,
Treasury Department.*

The CHAIRMAN. Mr. Fowler, are you somewhat familiar with the workings of the Bureau of the Census and the Bureau of Statistics?

Mr. FOWLER. Not as to their methods; only as to their results, as I see them in their published bulletins.

The CHAIRMAN. You received a letter from me a few days ago stating the object of this hearing?

Mr. FOWLER. Yes, sir.

The CHAIRMAN. From your knowledge of the organization and results of the two Bureaus in question, do you think it would be wise or unwise to make the Bureau of Statistics a part of the Bureau of the Census?

Mr. FOWLER. It seems to me, Mr. Chairman, it is purely a question of economy and the avoidance of duplication of work and the presentation in the most consolidated form of such valuable statistics as the country demands. If you have got the men and the machinery, it

would seem to me, as a general principle, that the consolidation of the statistical work of the Department or of the Government is advisable.

The CHAIRMAN. That is an answer in a very general way. Now, getting down to the specific bureaus in question, would you venture an opinion?

Mr. FOWLER. I do not think I am in a position to answer that question satisfactorily, not knowing the machinery that is employed by each and the men behind the machines.

The CHAIRMAN. So you prefer to confine your opinion to the general statement rather than to the specific one?

Mr. FOWLER. I think so, Mr. Chairman.

The CHAIRMAN. In the statistics which you work over for the annual report of the Comptroller of the Currency you use more or less the figures of both Bureaus, do you not?

Mr. FOWLER. To a very limited extent, Mr. Chairman. The statistics compiled by our office relate almost solely to banking conditions.

The CHAIRMAN. And the production of precious metals, also?

Mr. FOWLER. Data we obtain from the Bureau of the Mint relate to stock rather than production of the precious metals.

The CHAIRMAN. Then you do not draw very much from the publications of either of the bureaus in question?

Mr. FOWLER. Very limitedly. We call upon the Bureau of Statistics for certain foreign banking statistics which are published in foreign languages. As we are deficient in linguists, that Bureau has been kind enough to examine foreign publications and compile certain statistics which we have requested in relation to postal and other foreign savings banks.

Mr. NORTH. We get a letter from your office every week or so asking the population of a certain town.

Mr. FOWLER. Yes.

Mr. NORTH. Which has to do with the question of whether a national bank shall be established.

Mr. FOWLER. The question of capital stock comes in there, in connection with the population of a place. Where it is alleged that there has been a growth in the population of a place since the last Federal census, and where no State census has been subsequently taken, then we call upon you for an estimate, based upon the growth in the prior decade, for our guidance in considering that question.

Mr. NORTH. What is the limit? Is there a limit?

Mr. FOWLER. The limit in capital depends upon the population of the place in which a bank is incorporated.

Mr. AUSTIN. Do you think there is any closer relation, Mr. Fowler, between the statistics of foreign commerce and the character of work done by the Census than there is between the statistics of your office and those compiled by the Director of the Mint?

Mr. FOWLER. Of course, broadly speaking, they are closely related; but our concern with Mint returns is close by reason of the production of the metals being the basis of the circulating medium.

Mr. AUSTIN. Then your relation with the Mint is quite as close probably as that between the statistics of foreign commerce and those compiled by the Census?

Mr. FOWLER. I should think so—to the extent indicated.

Mr. AUSTIN. Do you think, then, that the combination of the Bureau of the Mint and your own Bureau would be advisable in the interest of statistical work?

Mr. FOWLER. It might so far as statistics go; but as regards administration, no.

Mr. AUSTIN. As to the general service, do you think the Mint Bureau and the Office of the Comptroller of the Currency ought to be combined?

Mr. FOWLER. I should say not.

Professor WILLIS. Mr. Fowler, have you ever considered whether the work of the Bureau of Statistics is more closely allied to that of the customs division of the Treasury Department than it is to any other? Have you ever looked into that subject?

Mr. FOWLER. Statistics of customs are very extensively collected by the Bureau of Statistics. I know.

Professor WILLIS. And would it not seem, then, that there is a close alliance between the Bureau of Statistics and the customs division of the Treasury Department?

Mr. FOWLER. It seems to me the work of the Bureau of Statistics heretofore has been more largely based upon data obtained through the various bureaus of the Treasury Department. Why it was separated from the Treasury I never understood, nor inquired, for that matter, but it seemed to me to be properly a bureau of the Treasury.

Professor WILLIS. Would you think, supposing the law permitted, that it would be a good plan to transfer it to the customs division of the Treasury Department and make it a Treasury bureau?

Mr. FOWLER. That question of the cost of administration comes in again. The Census Bureau is a permanent bureau, I understand, not limited in the character of the work. It is only a question of results and cost of operation, it seems to me.

Professor WILLIS. It depends entirely on that?

Mr. FOWLER. I think so.

Professor WILLIS. That is, you do not feel prepared to say definitely, as I understand you, that such a consolidation should take place in either direction, but that it is entirely a matter of administration?

Mr. FOWLER. It seems to me so. It is a matter of cost and results.

The CHAIRMAN. We are much obliged to you, Mr. Fowler.

STATEMENT OF MR. JOSEPH A. HILL,

Chief, Division of Revision and Results, Bureau of the Census, Department of Commerce and Labor, but temporarily with the Immigration Commission.

The CHAIRMAN. Please give the stenographer your name and position.

Mr. HILL. Joseph A. Hill. Until recently I have been a chief of division in the Census Bureau, but at present I am temporarily in the employ of the Immigration Commission and have no official connection with the Census at the present time.

The CHAIRMAN. Mr. Hill, from your knowledge of the organization and work of the Bureau of Statistics and the Bureau of the Census, do you believe it would be wise to consolidate the two Bureaus?

Mr. HILL. It seems to me that anyone's answer to that question is determined largely by his views in regard to the general question whether a consolidation of statistical work in one office is advisable as compared with the segregation in different bureaus. And to begin with I should prefer, if I may, Mr. Chairman, to say something on that general question rather than the specific question, which perhaps I will touch upon later.

I would like to say, however, at the outset, that I doubt whether I shall be able to contribute very much to the information of the committee on this subject. I do not feel that my connection with the Census work has put me in a position to bring out any new points that have not already been presented and considered. But with reference to this general question, it seems to me that consolidation is the proper general policy to follow in the organization of work that is distinctly statistical and has no administrative or executive features. And, of course, anyone's answer to your specific question would be determined very largely by his views on that general question. If consolidation is the ideal policy, as I believe it is, it would seem that the Bureau of Statistics should be consolidated with the Bureau of the Census, unless there are some specific and peculiar reasons which would justify an exception to that general policy. If, on the other hand, the policy of segregation is the proper policy, it would seem that we should keep the Bureau of Statistics distinct from the Bureau of the Census, and it might also be a question as to whether we ought not to break up the Bureau of the Census into a number of distinct bureaus. The different lines of statistical work now carried on by the Bureau of the Census appear to be as distinct from each other as the line of work carried on by the Bureau of Statistics is distinct from any line carried on by the Census.

I would say that I think the advantages of consolidation consist, first of all, in the fact that we have the statistical work carried on under the supervision of one man, who is presumed to be competent and duly qualified for that position. Under that common management we are likely to secure a better coordination of the different lines of statistical work than would be obtained by having these lines conducted by separate bureaus. I think that the supervision of one man who gives his entire official time and thought to the statistical work of the Government is likely to be a more effective supervision than a supervision that would be secured by a committee, which would be composed of men who would be largely or principally occupied with other duties. Doubtless a statistical committee would be useful in giving advice on specific questions, but when it comes to the matter of supervision I believe that the ideal system is the supervision of one man, and that there is less danger that any one line of statistics would be exaggerated at the expense of some other line of equal or greater importance, under the common supervision of one duly qualified man, than would be the case if these different lines of statistics were conducted by separate bureaus. Therefore on that general principle I should think that the ideal to work toward was consolidation, and that, unless there are some special reasons for making an exception to that policy in the case of the Bureau of Statistics, it would be proper and in the interest of economy and efficiency that that Bureau should be consolidated with the Bureau of the Census.

Then, of course, there is the question of economy of administration, which is distinct from the general question of the management and planning of the statistical work. After it has been determined what statistical work is to be done, after the lines of the different inquiries have been decided upon, and the scope of each defined, it becomes a question whether the administration—the carrying out of the work—can be more effectively and economically done in one office than in several distinct offices under independent management. And here again it seems to me there would be considerable economy in the single inclusive statistical office. This economy would result partly from the fact that the force employed on any particular line of statistical investigation could be very closely adjusted to the requirements of the work. As a rule, the requirements on any line of statistical investigation vary considerably from time to time. I know that that is true with regard to the various lines of work carried on in the Census Bureau. Sometimes the demands of the work or some one inquiry are very urgent, requiring a large force. At other times that is not the case, and we transfer the clerks from one line of work to another so as to adjust them to the requirements of the work. Of course, I do not know how that is in the Bureau of Statistics. If the work runs very evenly, so that, generally speaking, the force is as busy at one time as at another, if the Bureau is never shorthanded at any time and still has plenty of work for its clerks at all times, this consideration would not have very much force as far as the transfer of that Bureau is concerned.

The second source of economy, it seems to me, would be the use of a common equipment and plant. There would be some saving there, I suppose. I do not know that there would be any immediate saving in the item of rent, because the Census Bureau is approaching that time when it will have to employ to its full capacity the building which it now has, and doubtless will have to rent offices outside, so that in the next three years, perhaps, or from July 1, 1909, to July 1, 1912, I do not suppose there would be any economy in rent. But in the interval between censuses I should suppose that the work of the Bureau of Statistics could be readily accommodated in the Census Bureau and that there would be some saving there. Of course it is true that that saving could also be effected by simply transferring the Bureau to the building of the Census Office.

Another item which I think ought to be considered is the item of the library. The Bureau of Statistics has, I understand—and I know something about it—a very good statistical library. The Census Office is also collecting a library, which is rapidly developing. It is essential that each office, so long at least as they are in separate buildings, should be provided with a library, and at present there is considerable duplication, I should say, in the purchase of books and the care and management of the two libraries. We certainly ought to have in Washington a first-class statistical library for the Government statistical work, and doubtless we are destined to get it sooner or later. But we do not want two statistical libraries.

The CHAIRMAN. Not in one Department.

Mr. HILL. Certainly not in one Department. These are general considerations which doubtless have already occurred to the committee, and I have made my remarks of a general character because.

as I said at the outset, I really do not feel that I am in a position to contribute any new information or shed any new light on this question. All I could do was to express my own views in regard to that general question of consolidation.

The CHAIRMAN. Your views are very helpful, Mr. Hill.

Mr. NORTH. Of course, along that line of economy that you suggest there must be more or less duplication in the subclerical administrative force in maintaining two offices?

Mr. HILL. Certainly.

Mr. NORTH. And that, I think, is quite as important an element in that regard as any of the items that you have mentioned.

Mr. HILL. Yes.

Mr. AUSTIN. Do you think it would be practicable to put the Bureau of Statistics bodily into the same building with the Census to remain there during the next five years, during the time when the Census Bureau will be engaged in a decennial census?

Mr. HILL. I do not know what arrangement would be judicious in that respect. Of course, we would have to put a certain part of our work outside.

The CHAIRMAN. You could hardly put a part of the library outside, could you?

Mr. HILL. You could hardly put a part of the library outside, and it might be decided that it was better to keep the main statistical work in the main building and put some of the other work outside. Of course that is a matter of administration.

Professor WILLIS. I think you mentioned as one of your first points the possibility that where statistical work was combined under one head there would be less danger of exaggerating one line of statistics at the expense of others.

Mr. HILL. Yes, sir; it seemed to me so.

Professor WILLIS. I would like to know whether you think at the present time the work of the Bureau of Statistics is so exaggerated or is unduly extended; and, if so, in what respects?

Mr. HILL. No; I am not prepared to say that it is. I am not familiar enough with the work of the Bureau of Statistics to say that it has exaggerated its line of work.

Professor WILLIS. You have no idea that such a danger exists at the present time; that is purely theoretical. Is that true?

Mr. HILL. Well, I would not want to say, on the other hand, that it is not so. That is a question that I should feel it necessary to make a further study of before answering it one way or the other.

Professor WILLIS. You have no opinion one way or the other?

Mr. HILL. I do not feel prepared to express any opinion at the present time.

The CHAIRMAN. Your remark was general in its character?

Mr. HILL. Yes. I think that where there are a number of special bureaus it is perfectly natural for the man in charge of one bureau to exaggerate somewhat the importance of his own work and tend to enlarge it unduly. I think that is only human nature, and I suppose Mr. North finds it so in his own office among the different divisions.

Mr. NORTH. I do, indeed. The case of the Geological Survey, referred to by Mr. Steuart, is probably the most striking case of that kind.

Professor WILLIS. Do you know whether the force of the Bureau of Statistics is pretty continuously employed or whether there is waste time that could be economized?

Mr. HILL. About that I know nothing whatever. I am not familiar enough with the inner workings of the Bureau of Statistics to answer that question. I think that if the work of the Bureau of Statistics runs so evenly that the clerks are all the time fully employed, and that the Bureau is never shorthanded, it is a somewhat exceptional line of statistical work. I do not believe that is usually found to be the case. I think in most lines of statistical work the requirements fluctuate more or less.

Mr. AUSTIN. Of course you take into consideration that our statements are issued monthly, whereas in nearly all other cases they are issued at longer intervals, so that our work would probably run more smoothly on that account?

Mr. HILL. Yes; you run more smoothly than we would probably.

Professor WILLIS. Did you compile at one time certain statistics of immigration for the Bureau of Immigration?

Mr. HILL. We did some work for them. I do not know much about that work myself.

Professor WILLIS. Is your division doing that work now?

Mr. HILL. No; it is not.

Professor WILLIS. Has that been returned to the Bureau of Immigration?

Mr. HILL. I understand that it has.

Professor WILLIS. Why was that done?

Mr. NORTH. I will answer that question. It was done because the immigration officers at New York City declined to allow the Census Office the use of the manifests in Washington for transcription even for a single day, and it was found that without the presence of the manifests we could not supervise the work that had to be done in New York City, and that was a situation that made it necessary to go back to the old system.

Professor WILLIS. Is there anything in the work of the Bureau of Statistics that will present any case analagous to that?

Mr. NORTH. Not at all. There is no possibility of that. The manifests of the steamship companies, it was claimed, could not be sent to Washington because they are constantly required in the office there by cases which arise every day.

The CHAIRMAN. To verify the landings of aliens?

Mr. NORTH. Yes.

Professor WILLIS. How are they compiled at the present time?

Mr. NORTH. In the office at New York and in the various immigration offices.

Professor WILLIS. Could not that have been done and the results transmitted to the Census Bureau for final compilation?

Mr. NORTH. That is what was done.

Professor WILLIS. And why does the Immigration Office at the present time do that with better results?

Mr. NORTH. Well, the situation was such that the Immigration Service was in charge of one end of our work and we were in charge of another end of it, and it was an impossible situation.

Professor WILLIS. I should like very much to know in that connection whether the relations between the Bureau of Statistics and

the customs division are of a similar character; but I suppose that would probably come out in connection with some witness who is now in the Bureau of Statistics.

Mr. HILL. I think perhaps I would like to add one further observation, simply as an expression of personal opinion, which is all I have attempted to express at any time. I was very favorably impressed by the suggestion which was made yesterday by Mr. Rossiter of the possible consolidation of the Bureau of Statistics with the present Bureau of Manufactures, forming a new "Bureau of Foreign Commerce," as it might appropriately be called. It seems to me that that would be a bureau which would not be a distinctively statistical bureau, but only incidentally statistical, and that the proper function of that bureau would be to promote the interests of foreign trade, mainly; perhaps, by collating information—not exclusively statistical information, but statistical information with regard to foreign markets, such as is now being collected by the Bureau of Manufactures, and also the statistics that are being prepared by the Bureau of Statistics.

Mr. AUSTIN. If such a combination were made, do you think that the bureau so resulting, whatever its name might be, should compile the statistics of foreign commerce?

Mr. HILL. Yes; I think it would properly handle those statistics of foreign commerce which you are now handling.

Mr. NORTH. And the consular reports?

Mr. HILL. And the consular reports.

The CHAIRMAN. We are very much obliged to you, Mr. Hill.

STATEMENT OF MR. MORRIS JACOBSON,

Internal Commerce Expert, Bureau of Statistics, Department of Commerce and Labor.

The CHAIRMAN. Mr. Jacobson, will you kindly give the stenographer your name and position?

Mr. JACOBSON. My name is Morris Jacobson. I am now in charge of the statistics of internal commerce compiled by the Bureau of Statistics.

The CHAIRMAN. Mr. Jacobson, will you kindly give the committee your opinion as to the advisability of the consolidation which is under discussion?

Mr. JACOBSON. Mr. Chairman, I have given this matter some thought. As a matter of fact, when the new Department was created and the question of general consolidation came up, Mr. Austin consulted with me repeatedly on the general question, and also about the practice in foreign countries. I have been abroad twice during my service at the Bureau, and had occasion to see the work of the continental offices, including the Berlin central federal statistical office and the Italian, French, Belgian, and Dutch offices. I did not examine the work of the Board of Trade of London, nor the work of the Russian and Austrian offices. For six or seven years I was in charge of the library and the work of what was yesterday called the "Division of Foreign Intelligence," and had occasion to use practically all the statistics of foreign commerce published by the civilized nations. So I can claim a little acquaintance with the subject of commercial statistics.

I should like, if you will permit me, to make a more or less connected statement characterizing the situation in general, and then the situation in particular, so far as our Bureau is concerned; and then, if there are any subjects which I did not touch upon, I shall be very glad to answer all questions.

The CHAIRMAN. Very well, we will let you go ahead without interruption.

Mr. JACOBSON. In the course of the testimony during the last two days some questions were raised which I had not thought of before, and yesterday morning in particular the question of duplication came up. Now, when you have statistical work done by the Government, all possible care should be taken to avoid duplication, principally for the reason that the means available for work are limited, and there is no excuse why statistical work nor any other should be duplicated. I want to call your attention, however, to cases of duplication which in my opinion are perfectly permissible and which result probably in more good than harm. I will take two cases that strike me just at present. I did not have the time to go over the field as thoroughly as Mr. Steuart. Take, for instance, the Interstate Commerce Commission and some of its divisions. The division of the secretary collects statistics of railroad accidents, and Professor Adams in his annual reports gives statistics of accidents. It would seem that such duplication should be avoided. But if you should ask Professor Adams "Why is it you have duplication of this work," he will say "Why, we use one set of statistics to check the other." Professor Adams gets his statistics of accidents from the railroads, and Mr. Moseley obtains his statistics from outside sources. Of course it is very important to have a check upon the railroad returns of accidents, and therefore the usual charge that duplication results can not be brought against this particular case.

Another case in point that I thought of this morning was the statistics of gold and silver production, which are collected in two different ways. You have statistics of gold and silver production which you can obtain by going to the producer. You have also gold and silver production statistics which you obtain by going to those places where the producer delivers his ore or raw material in order to have the precious metal extracted—the assay, mint, and other offices. Now, if the cost were not prohibitive, I should advocate duplication of work in these particular cases, because the subject-matter is of sufficient importance to warrant additional expense in order to get, as far as possible, trustworthy returns. You see, supposing there is a difference of a ton: a ton of gold represents quite a high value.

This is, of course, more or less introductory. It does not bear exactly upon our work. Now, so far as our work is concerned, Mr. Steuart said something in regard to the internal-commerce division and its work. I shall refer to that later. Suppose, however, for argument's sake, that we do cover some of the field that the Census Office covers in its decennial census. If we get returns that differ from a canvass which they make, it will not be a serious argument against the existence of the division or in favor of discontinuing its work. If you apply different statistical methods, naturally you will get different returns; and the fact that there are differences

is perfectly natural. All that is necessary is that the statistician who has charge of the work and who goes over the field should explain why there are differences and account for these differences.

Coming now to the question of centralization as a principle, the centralization of statistical work is advocated by the followers of what might be called the German school of statistics, who regard statistics as a social science which studies the laws of coexistence and sequence of those social phenomena which are capable of numerical measurement. It is pointed out that the present high standing of the Berlin federal office, as well as of the offices in the various States of Germany, such as the Prussian office, the Saxon office, the Bavarian office, the Wurttemberg office, and so on, or the municipal offices, such as the Berlin municipal office, which does excellent work in its line; the Munich office, and the Dresden office, is due to the application of this general idea that any social phenomena which are capable of statistical measurement should be handled in an office composed of specially trained men, and that the analysis of the statistical material should be intrusted to men that have prepared themselves by special study for this kind of work.

If you will turn to what you might call (to use American terminology) the "Blue Book" of the German public service you will find that the men in charge of the various divisions or subjects treated in a general statistical office, as, for instance, the German federal office, are all highly trained statistical workers—university men, oftentimes men who devote part of their time to teaching at the university, and men who have made that part of statistical work their life work, specialists along certain very well-defined, specific lines. The study of statistics in the German sense, including the principal social phenomena that are capable of statistical measurement, has been a university study, I should say, for over fifty years, and naturally has resulted in a crop of good men, and still results in turning out annually a number of talented men who have this predilection and who devote themselves to this particular work. So that really there is no lack of men who are able to take up a piece of statistical work and do it well.

Another feature is that these same offices are often annexes to the university, inasmuch as the man in charge of the subject at a university is in a good many cases also in charge of the statistical office, and the officers hold a sort of seminary, in which not only the men who do the brain work in the office take part, but to which are admitted, and I would say sent, men in the executive service outside of the central statistical office who are engaged in some special statistical work. Very often a man employed in the department of justice will spend a year in the central statistical office to learn statistical methods. He is then expected to handle judicial statistics, for instance, but it is seen that he obtains a thorough training in applying the statistical method. By "statistical method" I mean the logical method of handling or of looking at certain phenomena, and not the mechanical method of handling the figures that come into the office. Those are two different things which should never be confounded.

The work is supplemented by lectures, delivered either by the director of the office or by some of his coadjutors in charge of the various divisions. Whenever the subject-matter to be treated by the office is such that there are no men specially fitted to do the work, a man will be taken from another department—just as in the case of our

Census Office—who knows the subject, or some outsider not connected with the service will be invited to take charge of the work. Men in the central office never claim to know all about statistics, or that they could handle any statistical material.

Furthermore, it is an exaggerated notion to assume that the German statistical office handles all the statistical material that the German Government prepares. There is practically not a single ministry that does not handle statistics. Take, for instance, the statistics of the colonies, their social conditions, their schools, the statistics of the religious work done there. The judiciary statistics are not all handled by the central statistical office. The only judicial statistics that are handled there are the criminal statistics. Other judicial statistics are handled by the department of justice.

There are volumes of military statistics that never reach the central office except when that office makes up the Statistical Abstract. The navy department has its own statistical office for the preparation of the sanitary and other statistics of the navy. The German Federal Government publishes railway statistics for Germany as a whole, and these are made up in a special office.

I could extend this list a good deal, but I think I have said enough to show that there is no complete centralization. While it is true that the amount of statistical work turned out by the central statistical office is comparatively larger than the amount turned out by other offices, it is equally true that a large number of very valuable statistical publications are brought out by various executive offices, to which they relate, the main reason for such a practice being that these statistics primarily serve the practical ends of administration, and in the second place only the purpose of general information.

The German central office is the successor of the office which existed before the Empire was founded. When the Empire was founded there was an office in existence which compiled the commercial statistics for the Customs Union. As you know, the Customs Union preceded the Empire. The Customs Union collected the customs, and the organic law of the Customs Union provided that the customs should be distributed among the various States according to population. Therefore, the common office of the Customs Union had to get figures of population. These figures of population, however, they did not collect directly by taking censuses of the population of the Customs Union, but the actual census work was undertaken by the offices of the various States, and only the more general results were turned over to the general Customs Union office and then used by it for its own administrative purposes.

To sum up, then, the office which preceded, the imperial office dealt with the figures of foreign trade, the fiscal returns of the customs, and such population statistics as were necessary in order to make possible a fair distribution of the revenue collected. This office has grown into the present large office with probably as many different kinds of work as Mr. North has in the Census Office. It was a foreign-trade office, which evolved into a general statistical office.

MR. NORTH. That is a very important fact, Mr. Jacobson. Let me ask you if you think it has any bearing upon the practical question?

MR. JACOBSON. No; I just put it in simply to give you an idea of how the German statistical office developed, not that I ascribe any practical importance to the story of its evolution.

Coming now to our Bureau, the commercial statistics that are published by it are twofold. They relate to the statistics of foreign commerce and since 1890 take in also statistics of domestic trade movements. The purpose of publishing these statistics is not exactly a theoretical purpose. The office, to be sure, has no executive functions, but the office does not publish statistics merely because statistics of foreign trade are interesting to the merchant or to the citizen generally. The collection of trade statistics, if I understand it aright, is done principally for administrative purposes. The Government collects trade statistics in order, first, to shape its trade policy intelligently, and, in the second place, to properly administer the laws relating thereto, particularly the tariff laws.

The purpose of the statistics of foreign commerce, as I take it, is first to give the legislator or the would-be tariff reformer, if you please, material to forecast certain developments if certain changes in rates of duty are made; and it also serves a useful purpose in applying the existing laws, because it shows the administrator how the law works—whether, for instance, when the tariff is raised, certain developments that are expected really take place or not.

Mr. NORTH. Is it not really the most important purpose of trade statistics to measure the growth of trade?

Mr. JACOBSON. Yes. Now, no matter which of the two purposes is emphasized, you can see a close connection between the foreign trade statistics and the office that administers the customs. The primary material which our Bureau and all other bureaus of commercial statistics get originates in those local offices through which goods pass in and out of the country. You can not collect foreign trade statistics unless you have a man at the gateway watching the ingress and egress of merchandise. And, of course, the man that watches these movements is a man connected with the fiscal branch of the Government. I do not believe that there is any government that has its customs officials under any but the fiscal branch of the government.

An ideal arrangement, so far at least as the customs branch of the Government is concerned, would be to have a perfect agreement between the tariff schedules and the statistical schedules as they appear in our import and export statistics, so that the Bureau would be able to show the administrator what the imports and exports of each number in his tariff were; so that when you change a tariff number the effect could be shown statistically.

Mr. NORTH. That is what is done in Germany.

Mr. JACOBSON. Now, this is the ideal arrangement of constructing tariff and statistical schedules. The Germans have now, since March 1, 1906, this agreement, and it has taken them, I think, about ten years of preparatory work to work out an agreement between the statistical and tariff schedules. And they have gone even further—they have taken their tariff schedules and subdivided them so as to be able to show even particulars under each head. Now, as to our own tariff schedule, I do not believe there is anyone in the room, or here in Washington, or anyone who has had anything to do with the tariff, that will say that our tariff schedule is a perfect thing—that is, not capable of great improvement. Nor will anyone say that there is that close harmony and agreement between our statistical schedule and our tariff schedule. As a matter of fact, our statistics of general imports—that is, of those imports which are either turned over to the

importer direct, or else enter the bonded warehouse to remain there until the duties thereon are paid—show very little agreement with the tariff schedule. They have been arranged more or less logically—I would rather emphasize the word “less.” It was a combination of classification and alphabetical arrangement, and I do not think that the classification as found in the schedule of general imports is a good one. I think it ought to be changed and improved greatly.

Our schedule of general imports bears very little resemblance to the tariff schedule—none at all, practically. Our statistics of imports for consumption, which bear some resemblance and are more or less in agreement, suffer, however, from the fact that they do not show the distribution by countries. So the statistics of general imports, which show the distribution by countries, are not in agreement with the tariff schedule, and our statistics of imports for consumption, which have some resemblance and are based partly upon the tariff, do not show the distribution by countries—a very unsatisfactory state of things, indeed.

The CHAIRMAN. We will adjourn at this point, Mr. Jacobson, and you can continue your statement Friday morning.

Thereupon, at 11.30 o'clock a. m., the committee adjourned until Friday, October 11, 1907, at 9 o'clock a. m.

THIRD DAY.

FRIDAY, *October 11, 1907.*

The committee met at 9 o'clock a. m. in the office of the Assistant Secretary of Commerce and Labor.

Present: Messrs. Murray (chairman), Neill, Austin, and Willis.

STATEMENT OF MR. MORRIS JACOBSON—Continued.

The CHAIRMAN. Mr. Jacobson, will you continue with your statement, please?

Mr. JACOBSON. I was trying to show that so far as our schedule of imports and exports was concerned it was in a very unsatisfactory state, indeed. I said that an ideal arrangement would bring about a perfect agreement between the tariff schedule of the customs tariff and the import and export schedule, so that these latter schedules were based upon and represented merely subdivisions of the tariff schedule. In this way any change in the tariff number would become reflected in the import schedule, so that the effects of a change could be followed out statistically. That of course is one of the main purposes of import statistics, to show the effect of tariff measures. Now, in the case of our Bureau it is quite impossible to follow such changes, because there is no agreement between the schedules. I pointed out that in Germany, after ten years of preparatory work, such an agreement had been effected, and that European countries which had followed suit and revised their tariff had at the same time also thought it necessary to revise their statistical schedule and to base it upon the new tariff schedule. That was done, for instance, in Austria.

Coming now to other statistical bureaus that publish import and export statistics, I wish to refer to a letter which I sent to Secretary Straus. I tried to show there that in the United Kingdom the work of census taking was entirely divorced from the work of import and export statistics; that the annual volume of foreign trade was made up by the London customs office in charge of Mr. Wood, who acted as the representative of the Treasury Department and collected the statistics for the entire country. Neither the board of trade nor the temporary census office nor the registrars-general, who usually organize the censuses for the three parts of the kingdom—England, Ireland, and Scotland—have anything to do with the annual statistics of foreign trade. It is true that the monthly statistics of foreign trade are brought out by the board of trade, which in a way is a central statistical office.

Now, taking up the continental countries outside of Germany, I do not find a single country of any importance that does not have a special office in charge of the import and export statistics. There is a list of about a dozen countries given in this letter, and I shall not lose time in repeating all that I stated there. For the benefit of the committee I may add that in the case of Switzerland and Austria I found that the statistics of foreign commerce were in charge at one time of the central office, but for some reason or other—I have not been able to find out the exact reason—the work of collecting and publishing the foreign-trade statistics was taken from the central office and given over to special offices. In the case of Austria, which collects the foreign-trade statistics for both halves of the Austro-Hungarian Empire, the office is part of the ministry of commerce; and in the case of Switzerland it was transferred to the customs department. The transfer in each case resulted in improvement of this part of the statistical service, in the adoption of more modern methods, and in amplification, so that the Austrian statistics, for instance, are probably the best commercial statistics collected on the Continent. They give more information than the German statistics. I may add that the Austrian office uses machines. They had at first the Hollerith machine, but they improved on that machine and threw the Hollerith machines out and now use their own machines.

Now, coming back to the situation in the Bureau of Statistics, and the situation with regard to the import and export schedule: The schedule should be improved, there is no doubt about that, if our import and export statistics are to show what they are intended to show. But whether it should be improved just now I have some doubt, in view of the fact that our tariff will have to be revised some day along more scientific lines. I am not speaking at all of a revision of the tariff from the point of view of higher or lower rates of duty; that is quite another point which we can not very well touch upon here; but a rearrangement of the schedules along logical lines, and a rearrangement that would embody the practice of our Board of Appraisers, the Treasury Department, and our courts—that is, to reclassify things and bring them together under certain heads that should represent real classes, using the experience of the Board of Appraisers and the Treasury officials—has, I think, become a necessity. Take, for instance, the thousands and thousands of decisions in customs matters resulting in classification of things that were not *thought of* when the tariff was first introduced. The codification of

this experience I think has become a necessity; and if that is done, then it will be time to revise our schedule and bring it into agreement with the tariff schedule.

A mere formal transfer of the Bureau of Statistics to the Census Office will not improve things unless that work which I just mentioned should be undertaken simultaneously. The fact that the Bureau of Statistics will do its work in the Census Office will not change its methods.

Furthermore, I do not believe that the work of the Bureau of Statistics, so far as the collection of import and export statistics is concerned, is of such a character that it would fall in very well with the work of the Census Office. As a matter of fact, the method used by the Census people—the so-called Census method—consists in sending out men to the field every ten years, making them observe certain phenomena in accordance with certain instructions, and having them report to the head office; the head office then goes to work and adds up, groups, tabulates, and comments upon those observations, so far as those observations can be expressed in numbers—that is, statistically. That is true in the case of population. In the case of their statistics of manufactures they use a somewhat different method, inasmuch as the financial results of the manufacturing establishments usually cover a whole year, and therefore the man in the field has to go to the different parties and make inquiries, and appeal, as it were, to the memory or to the written records of the men in charge of the various establishments. They have only one piece of work which in some ways uses the same method we use, and that is their cotton-ginning statistics. The cotton-ginning statistics are obtained from agents in the field and represent the statistical record of a more or less constant flow of certain phenomena—that is, every day as ginning operations go on the results are noted and at certain intervals reported to the Office, which then publishes them either monthly or at less frequent intervals.

That is exactly the method which we pursue. We have men stationed at the gateways through which our imports and exports pass. They make their notes and report to us each month, and we then in our turn bring together the summary returns from each customs district into one publication.

The work in our office presupposes a certain acquaintance with the tariff. A man that has supervision over the clerical work in the Import and Export Division must know the tariff. He has to know the decisions of the Board of Appraisers and the Treasury Department; he must keep in touch with all these things. He must know something about the commerce of various articles; he must be in touch with the various markets; he must know something about price movements, so as to be able to judge intelligently of the value of the figures submitted to him by the various collectors.

I think, therefore, that the mere formal transfer of the Bureau of Statistics to the Census Office can not result in any organic connection with the Census work proper, because the qualifications of the workers and the requirements for efficient work are quite different. The methods used are surely different. Moreover, there is no statistical publication in the Census Office that resembles in its character the Monthly Summary of Commerce and Finance. It is intended to change the frequency of our publication.

go on with the Monthly Summary of Commerce and Finance and bring it out at those intervals which we now observe.

Now, these publications of the Bureau of Statistics appear at various dates. The earliest summary of imports and exports appears about the 25th of the month following that to which the figures refer, so that, for instance, the August figures of foreign commerce are out about the 25th of September. The monthly statement of total values of imports and exports appears even at an earlier date.

In the United Kingdom the monthly statistics come out about the 8th or 9th of the month. This is made possible by their using a fiscal month, which ends not on the last of the calendar month, but very much earlier. I think their fiscal month ends on the 20th, if I am not mistaken.

Mr. AUSTIN. I am not sure as to that. My understanding had been the 25th.

Mr. JACOBSON. Of course in this way they are able to bring out their statistics a little earlier. Moreover, distances there are not so great; they have not to publish statistics of districts that are over 3,000 miles away. In Germany they have a monthly publication of imports and exports, and I think they take a little longer time in publishing it than we do. In France they have a monthly publication; also in Spain, Portugal, Italy, Belgium, Holland, and Russia. That practically covers Europe. In India and Japan there are also monthly publications of imports and exports.

In Germany the situation is somewhat different, in that the preliminary values of imports and exports are published only every quarter. The monthly publications for January, February, April, May, July, August, October, and November do not contain the values of imports and exports, but contain merely totals of tonnage or weight of the imports and exports. They reduce everything to a common expression of weight, and in this way have something by which to compare the records of corresponding periods in various years. Their values in the quarterly statements are not the values that we obtain, but are based upon unit values laid down by a valuation commission after a year is ended. When a year is ended they call at Berlin a commission consisting of experts in the trade and their own experts in the office. They form subcommittees and then lay down unit values for each group of commodities and get in this way a valuation of the total commerce for the year. It is these unit values that are used in the following year for their quarterly returns. This method is also used by other continental offices. Of course, our method and the English method are superior, in that we get real values.

The CHAIRMAN. We do not use the unit value at all; we use the actual value?

Mr. JACOBSON. Yes. We use invoice values.

Mr. AUSTIN. Then the German statements made in any month of this year, for instance, represent the average estimated value of those articles for the preceding year?

Mr. JACOBSON. In most cases. For certain articles the new tariff requires a statement of value; so, in the case of these few articles the actual values are published in the quarterly figures.

Mr. AUSTIN. The point I want to mention, Mr. Chairman, was that *our statements try to be the value of the month in which they are*

shown, while those of Germany represent the average value for the preceding year.

Mr. JACOBSON. As a matter of fact, the values stated in the last monthly issue of the year. December, will differ widely from the total values, or group values, that appear in the subsequent annual volume, because the figures in the annual volume are based upon the valuations of the commission for that year, whereas the values in the December number are based upon the valuations for the preceding year.

The charge of delaying the issue of the Summary could not very well be brought against our Bureau, inasmuch as summaries for some of the most important districts, as for instance New York, do not reach the office before the 20th of the month. We bring out the statistics of imports and exports on the 24th and 25th, so there is an interval of four or five days for collating and publishing the figures. If it is desired to publish the summary of imports and exports at an earlier date, changes should be made that will enable the local offices to send in their summaries sooner. Whether this can be done under the present system, where each office presents a mere abstract of its transactions and does practically the work of collating, adding, and grouping things along the lines laid down by the central bureau, I doubt very much. Of course, there is another way of doing this, and that is to take away all the statistical work from the local offices and have it done in one central office.

Mr. AUSTIN. From the custom-houses, you mean by that?

Mr. JACOBSON. Yes. They do that in Germany; copies of the manifests and entries are sent to the central office from the local custom-houses. The local custom-houses, if they do any statistical work at all, do not do it for the central office. The central office acts just as our Census Office acts. It does not leave any work at all to the local offices and does all the compiling itself. Now, whether we are prepared to undertake this thing and take over 150 or more little statistical offices from the custom-houses I doubt, and I doubt it the more because there is the Treasury Department, which will probably also have some say in the matter.

The CHAIRMAN. I would like to say here that I do not think we will be able to get copies of manifests and bills of lading and all that data necessary to build up your Monthly Summary from the shippers. If we do not get them from them, of course, the copies would have to be made at the original ports where the manifests are filed, and they would have to be made by somebody, and ultimately you would build up again your little statistical, or, at least, your copying office at the custom-house, because I have found and you have found that wherever we have made a change in the schedule and asked for additional information, for instance, from shippers, it has been resisted as a burden on commerce, and all sorts of objections have been raised simply to the making of an additional schedule. For instance, when you wanted to get the trade of our noncontiguous territory, they seriously objected to that on the Pacific coast. Therefore we can never hope to get very much statistical information if it requires copying or collating or any clerical work from the shippers themselves. We can not get the manifests of the cargo of outgoing steamships until they are supplementally filed. It would seriously hinder the clearance of the vessels.

DOCTOR HAVENNER. As it does now, Mr. Secretary. I believe they—masters of vessels—are all required by law to furnish two manifests. One remains in the custom-house and one goes to the Treasury Department, in order that the collectors' accounts may be checked up by the Auditor of the Treasury.

THE CHAIRMAN. But if they have to make one in accordance with law, it would be like pulling teeth to get them to make one not in accordance with law. By the way, the information which you get for your Monthly Summary from the offices of collectors of customs is not compiled by your own offices, but is compiled in the offices of the collectors of customs for the various districts?

MR. JACOBSON. Yes.

THE CHAIRMAN. Each one makes its own compilation and sends you the results?

MR. JACOBSON. Yes.

THE CHAIRMAN. Those men are, of course, in the pay of the Treasury Department?

MR. AUSTIN. Yes, sir. And there is constant embarrassment, Mr. Secretary, in attempting to keep those men up to their work and to maintain what, from our standpoint, is the proper discipline. We can only be very mild in asking them for these figures.

MR. JACOBSON. The work of the large division that collates and publishes the import and export statistics of the country takes up about four-fifths of the force. There are a few more divisions in the Bureau, and one division, of which I have charge—the Division of Internal Commerce—is composed of six men, including myself. This division, which likewise publishes monthly figures, was organized about 1900, though it had a temporary existence between 1875 and 1891 and published the results of inquiries in annual volumes. There are about 12 volumes of this matter that were brought out with the help of outside experts, the greater part of whom were connected with semiofficial and commercial bodies. Between 1891 and 1900 little attention seems to have been given to this phase of national commerce, the only publication issued by the Department of the Treasury bearing on internal commerce being a study by Mr. George Tonnell, of Chicago, on the lake commerce. That was published in 1897. In 1899 an expert on internal commerce was added to the force of the Bureau, and during that year a number of monographs on the commercial movements of the principal staples, as grain, provisions, cotton, coal, and iron, were published. In 1900 monthly statistics of lake commerce were made a permanent feature of the Summary and beginning with 1901 the present Monthly Summary of Internal Commerce was started and has been continued since as part of the Monthly Summary.

Now, this Monthly Summary of Internal Commerce is different in arrangement from the Monthly Summary of Imports and Exports. It tries to give a review of the commercial movements at the principal markets of concentration and distribution of the great staples. We divided our Internal Commerce Summary into about ten chapters, and each chapter takes up the important movements in a certain geographic section of the country. We start with the grain and live stock movement; and inasmuch as this movement is more or less concentrated in the Middle West, we trace this movement to the important primary markets. We then take up the lake commerce.

Now, inasmuch as Mr. Steuart touched upon this question, I think it but fair that I be given a chance to explain this part of the work, because this is one part of the work where we use our own agencies or the collection of the data.

The movements on the Great Lakes are measured by us in the following way: When the master of a vessel finishes his trip—that is, when he comes with his vessel to the port where he discharges the last part of his cargo—he appears before a custom-house officer, usually the marine clerk, and delivers to him a form which we call the supplementary manifest. In this form he states his name, the registered tonnage of the vessel, the date and place of his clearance, and the date of arrival at the port of final discharge. Then in the left-hand corner of this form there are about 20 classes of commodities—I do not remember the exact number—which are practically the same as are used by the people at the Sault Ste. Marie Canal. There are four columns. In the first column the master of the vessel is directed to state the quantity of merchandise taken on at the port of origin; in the second he states the quantity taken aboard at intermediate ports; in the third the quantities discharged at intermediate ports, and in the last column the quantities discharged at the final port.

These supplementary manifests are filled out when the trip is ended, so that the usual objection to the accuracy of the returns given in the manifests—that is, that a man fills out his clearance before he knows the actual contents of his boat—does not lie in this case. I spent a couple of weeks lately in going over the records at the custom-houses—that is, the clearance and entrance papers—at the main ports of the Great Lakes in order to find out whether my figures which I was getting on the supplementary manifests were better than the figures which they had at the local custom-houses. You see they have to keep the entrance and clearance papers for my time, so that I was able to check them up. As a result of my inquiries I came to the conclusion that my figures were much better. Naturally, a man is in a better position to know the exact contents of his load after he has finished his trip than before he commences the trip.

As a matter of fact, the captain when making his entrance at a port usually takes out his clearance. In this way he saves the second trip to the custom-house. When, for instance, the master of an ore vessel at Duluth files his entrance he takes out his clearance, and when he is asked: "How much ore do you expect to take out?" Well, he gives them the approximate figures. When he gets back to Buffalo, Erie, or Conneaut, he is, of course, in much better position to say how much ore he carried.

The CHAIRMAN. He knows exactly how much he took on, of course?

Mr. JACOBSON. Yes. Now, the figures that are given to us in this way refer only to the domestic movements. The figures of foreign trade are reported by customs districts to the other division.

The CHAIRMAN. What do you mean by the other division?

Mr. JACOBSON. To the Division of Foreign Commerce. I get only records of movements in the domestic trade; that is, movements between United States ports. Naturally, in order to get a complete record of shipments or receipts at a lake port, the foreign

tonnage or foreign merchandise movements should be added. It so happens that the weight of the articles carried to Canada and other foreign countries and into the United States from Canada and other foreign countries is not given in all cases, so that figures of tonnage of the total merchandise movement are not available. But then, Mr. Steuart is able to estimate a good many things. Possibly with a little trouble he would be able to estimate the weight of these articles. As a matter of fact, the ratio between the two is probably as 98 to 100, so the 2 per cent deficiency could be very well estimated.

As regards our other statistics, I must say that they are not so good as the statistics of lake commerce. In the first place, we have no paid agents in the field. We rely entirely upon the courtesy and the voluntary cooperation of various commercial bodies, trade publications, private agencies, etc., and of course this dependence sets certain limits to the control and scrutiny of the figures furnished.

The CHAIRMAN. Mr. Jacobson, do you not think it would be a good idea to ask Congress for an appropriation to pay, say, 15 or 20 expert agents to go over the country to these various centers from which you collect statistics and instruct the people as to uniformity in submitting the statistics, and thus raise somewhat the standard of submitting them?

Mr. JACOBSON. Mr. Secretary, you have just anticipated what I was going to say.

The CHAIRMAN. I beg your pardon. Go on in your own way.

Mr. JACOBSON. So far as this part of this work is concerned, the division is at best a mere clearing house for statistical information collected by the more creditable commercial organizations and trade papers. It would be manifestly unfair to expect from it monthly returns of internal commerce as full and complete as are published by the main division of the Bureau with regard to imports and exports. The main division of the Bureau has over 150 collectors at the various customs ports, and these men, being paid by the Government and in a certain way under our authority, have got to work a little differently from the secretary of a chamber of commerce, in Buffalo, for instance, over whom I have absolutely no authority. He sends his figures whenever he wants to and in whatever form he prefers. He surely has not got the convenience of the Bureau of Statistics in mind when he makes up his statement.

Now, I want to say something in defense of the method we use. Of course the method which we use for the internal commerce is not the same method that is used in the other division. We do not pretend to take in the entire volume of internal commerce in the country. That is manifestly beyond the power of anyone. You could not have an organization that could follow every commercial movement within the country. What we do try is to get representative movements, i. e., to pick out certain things the movement of which is an indication of what is going on in the country along commercial lines. It might be said that the choice of the movements that we observe is not quite fortunate. It might be further said that we should increase the number of points of observation. But you can not very well say that because we can not take in the entire movement the entire work is useless. This work is done by other private people, and I submit it to the judgment of the committee, whether work done here by people who have no axes to grind, and whose range of observation

is considerably wider than that of any single private agency in the country, is preferable to the work of these private agencies.

The CHAIRMAN. Of course, if it were not done in the way you are doing it, it would not be done at all by the Government as at present organized; and if a man wanted to get even a basis for estimation, he would have to write to all of these different reporting agencies which you have, not only once, but, for comparative purposes, he would have to write for several years back, and the probability is that he would get nothing tangible.

Mr. JACOBSON. In the Bureau of Statistics the Internal Commerce Division also publishes chapters on transportation by river and has a chapter on coastwise traffic; and I want to say a few words with regard to these things.

The river and canal transportation—"inland waterway transportation," as it is generally termed—we get from the Government agents; that is, the United States engineers in charge of river and harbor improvements stationed at the various points. Wherever the United States engineer has charge of river and harbor work, it is his duty to make reports to the United States Engineer Office. Copies of these monthly reports reach our Bureau, and this Office is the only one that publishes them in monthly form. We also get some figures from State officials. For instance, the New York superintendent of public works sends us monthly figures of the traffic on New York State canals, including the Erie Canal. We sometimes have to go to private agencies for information. For instance, the traffic at Cairo, Ill., at the confluence of the Ohio and Mississippi rivers, is reported to us by a private individual, because there is no Government agent there who measures the traffic passing this very important point.

All these things could be improved and should be improved, in view of the growing importance of the subject. I think that the time has come when, if possible, periodic reports on the total movement by rivers and canals should be published and this information be made available for the use of the Government and the public. The Census people have just finished, or are about to finish, their census report on this subject, and I was going to suggest that our division be ordered to continue these reports, of course without using census methods—our office is not a census office—but that information be furnished of the principal movements at the principal points. That would be perfectly sufficient in order to note the ebb and flow and the variations in the movements; and if these figures do not agree at the end of five years with the figures of the census to be taken at that time, any man will understand, if proper explanations are made in the text, why they do not agree. I do not contend that figures published by various offices, and which are obtained by various methods, should agree; but what I do contend is that it is the office of the statistician to explain variations, to show why figures disagree, and to point out the various factors and elements that go to make up certain figures.

To illustrate the idea I have in mind, take the Census of Manufactures for 1905. The Census of Manufactures for 1905 is, as the introduction properly states, not a census of manufactures, but a census of the factory industry. It does not deal with the neighborhood industries and the small trades. Now, the value of these industries and trades is in the neighborhood of \$2,000,000,000. It is not

a small item. I suppose that the figures were not collected for reasons of economy. It would have cost probably as much, if not more, to collect the statistics of these little establishments as it cost to collect the statistics of the factory industry.

Mr. AUSTIN. These little establishments were included in the census of 1900?

Mr. JACOBSON. Yes; they were in the census of 1900. Now an estimate is made of the value of the products of these little establishments. I think it is assumed that the increase in the value of their products was in the same proportion as the increase in the value of the factory products, and the division of manufactures estimated a value of about \$2,000,000,000 of products. Now, whether this is proper census methods or not is a point that is not material, but the fact is, you see, that you can not have always complete statistics.

Doctor NEILL. What is the total value?

Mr. JACOBSON. The total value, I think, is given at about 13 or 14 billion.

Doctor NEILL. Does that include this 2 billion?

Mr. JACOBSON. No. The total value would be about 16 billion, I think.

Doctor NEILL. You referred several times to "census methods." I wish you would explain precisely what you mean by "census methods."

Mr. JACOBSON. I am very glad you asked me that question, Doctor Neill. I distinguish between the census method and the registration method. The census method is, as I understand the method used to get a picture of a certain class of phenomena at a given moment of time. You send out your agents into the field and instruct them to get, say, the number of people at 12 o'clock on June 1. You stop as it were, the movement for one moment and then record what you see at that particular moment. So that the requisites are to have men at certain points where they can see everything within a certain restricted territory of vision, and further that they should report, as it were, the statics of the thing at a given moment—not report movement, but certain things at given moment. That is what I call the census method.

The registration method is a different thing. Certain phenomena are interesting, not because they happen, but because they recur. You are not interested to know, for instance, how many people die at 12 o'clock on a given date, but you are interested to know the number of deaths within, say, a year. Now, the method which you have to use in order to get these statistics is different. It would not help you to send out a man and tell him to report how many people die at a given moment of time at a given place. You want to have machinery by which you will be able to report the number of deaths within a week, or within a month, or within a year.

The method which we use in the Bureau of Statistics is the registration method. We never get statistics of the statics of things at given moment of time. That is something which does not interest us. That is a subject of interest more to the Census Office. I say, therefore, that the methods used by the two offices are fundamentally different, so far, at least, as the Census Office restricts itself to census work proper.

There is one more point that I want to bring out in connection with a discussion of the internal-commerce work, and that is the traffic statistics for the rail movement. So far I have spoken only of the movements by river, but of course the bulk of the movement is by rail. The railroad reports submitted to the Interstate Commerce Commission contain traffic statistics. Up to the present time these traffic statistics were merely collated and presented on about two pages in the Annual Statistics of Railways. Now, I believe that the time has come when more attention should be paid to traffic statistics, not only because they are of interest to the student and to the citizen, but because I believe that they will be of great help when the question of extending the power of rate control comes up. You will have to know the chief elements of revenue-bringing traffic whenever you want to lay down a systematic schedule of rates. Of course this is something that we are not concerned with directly. But if it is desired to get a large office of internal commerce, this office could follow traffic movements by rail, by river, and by coast, using the registration method and not the census method. The question could then come up as to whether these traffic statistics by rail which are now submitted to the Interstate Commerce Commission could be made available, so that some more work could be done on them and the information which they contain be made public.

So far as the statistics of movements on the coast are concerned, we are laboring under a great disadvantage, indeed. We get very little information regarding the coastwise movements, and the situation has become worse since January 1, 1907, when the law regarding the three great coastwise districts was changed and masters of vessels are no longer required to enter and clear whenever passing from one coastwise district into another. Formerly we had at least some indication of movements between the great coastwise districts—that is, the Atlantic, Gulf, and Pacific—but now we have not even this, and the change of law has been reflected also in the Internal Commerce Summary. We had to give up the collection of certain information which was available because certain legal requirements existed which made it possible for us to get this information, and when the law was changed the information stopped coming.

The CHAIRMAN. Do not the masters on the Pacific coast file the same supplemental manifests that the masters on the Great Lakes file?

Mr. JACOBSON. No.

The CHAIRMAN. Why?

Mr. JACOBSON. There is no longer the division of the coastwise districts.

The CHAIRMAN. I know there is not; but would they not file it wherever they stop?

Mr. JACOBSON. Not in the coastwise trade. On the Great Lakes the situation is peculiar. The great majority of the captains think that they are legally required to file the manifests.

Mr. AUSTIN. When we attempted to put the system into operation we submitted this manifest to the Lake Carriers' Association and got their approval of it, and asked them to instruct their captains to file it. The difference between the coastwise trade and the lake trade lies in the fact that on the lakes the captains always have to go to the custom-house to enter and clear, and on the coast they do not. The

custom-house officers are instructed to say to the captain when he comes in, "Have you your supplemental manifest?" If he says "No," they have him fill out the blanks right there. So in that way they keep tab on it constantly, while on the coast the captains do not have to come to the custom-house at all.

Mr. JACOBSON. Coming now to the question of whether the service of the Internal Commerce Division could be improved, I would suggest that in the first place its force should be enlarged; that we should be given more means to collect the statistics; that we should have our own men among those people who send us the information, by paying them a little salary and giving them the office of special agent. I approached some of these people on the subject in a number of places, and some of the secretaries were perfectly willing to accept such offices. But there should be an understanding that it was no mere courtesy, but their duty to report to our office. I think that would result in a great improvement. Of course, if it could be arranged so that special agents or permanent field agents could be connected with this branch of the service, that would be a much better method; but if that can not be done, I would suggest that we put our reporters on some sort of salary basis and have some authority in prescribing uniform schedules and forms and uniform methods of collecting the information. As it is, I am perfectly powerless to make any changes, and I am very glad when people send their information to me, however fragmentary, having no way to urge and insist upon changes.

Coming now to the Statistical Abstract of the United States. The Statistical Abstract of the United States, which summarizes the statistical work of the various Government offices and of the more important private commercial organizations and other private agencies in the field of collecting statistics, is, of course, a very important publication. It was started in 1878, and has been continued annually ever since. Of late a small section giving international comparisons with regard to area, population, finance, railroads, telegraphs, etc., has been added, and I think has probably increased the usefulness of the volume. The new addition does not take up very much space as compared with other matter, and, on the whole, I think is a useful addition. The bulk of this volume has grown considerably. It was 15 pages when it started in 1878, and has grown to 716 in 1906. This growth was due, first, to the increased number of subjects treated; that is, the number of subjects investigated statistically is growing larger and larger, and naturally the Statistical Abstract, which is a summary of all the important statistics collected, takes cognizance of the increased number of subjects of statistical interest.

The second reason was that certain subjects which were of interest some years ago have since grown in importance and more space had to be given to their proper presentation. A third reason for the increased bulk of the volume was the fact that since the earlier year the requirements of historical continuity demanded some addition in order to present a full picture of development. In 1878, in many cases, a five years' record was all we had. Since that time the number of years for which this record exists has grown, and of course the bulk of the volume has grown. Now, these are three factors that would call legitimate causes of the growth of the Abstract. But there

is one other factor which accounts far more than the other three mentioned for its large growth, and that is the undue importance attached to the chapter on foreign commerce, imports and exports, which in the last volume takes up 340 pages, or nearly one-half of the Abstract. This I regard as an unfair and improper arrangement, inasmuch as it unduly swells the bulk of the volume, and what is worse still, crowds out and does not permit the insertion and publication of other matter no less important than the statistics of foreign commerce. The Statistical Abstract of the United States is not a statistical abstract of foreign commerce; it is not a census abstract, but is a statistical abstract of the United States. It should give information regarding those matters which are of interest not only to the Bureau of Statistics, and not only to the Census Office, but which are of interest from the point of view of national development.

I think the Statistical Abstract should contain more than the statistics of foreign commerce or statistics of the census. It should certainly contain a chapter on labor. It should give the results of the statistical work of our States and of our municipalities. It should give statistics of social organizations, as, for instance, fraternal organizations, which would be perfectly proper. As a matter of fact, notwithstanding the fact that our Statistical Abstract is probably larger than that of any other country in the sense of containing more figures, it covers less ground than the statistical abstracts of some of the other more important countries.

Professor WILLIS. You say it covers less ground?

Mr. JACOBSON. Yes, sir; it touches fewer phases of the national life.

Professor WILLIS. It touches fewer subjects, you mean?

Mr. JACOBSON. Yes. For instance, the German Abstract is probably not one-third the size of the United States Abstract, and the number of topics treated there is much larger than the number of topics treated in our Statistical Abstract. Now, it is true that the statistical work done in Germany touches more phases of national life, but I would suggest that what was possible, for instance, for the Statesman's Year Book—that is, to get statistical and other information regarding the various States of this Union—should be possible for the United States Government, and that the Statistical Abstract might include information regarding the States and the statistical work done by the States.

Whether this can be done best in the Bureau of Statistics or in the Census Office is another question. What I want to urge before this committee is that the fixing of the bulk of the volume and of its programme should not be left to any one office. This should be a matter to be decided on by an interdepartmental committee—not even by a departmental committee—and it might be wise to leave the filling in of the pages to the various offices that collect the statistics which appear in the Abstract. After you have fixed the bulk of the volume—supposing you have fixed the maximum number of pages at 500—have representatives of the various offices called into conference and then let them apportion to each office a certain number of pages in accordance with the importance of the respective subject.

Professor WILLIS. May I interpolate a question there?

Mr. JACOBSON. Certainly.

Professor WILLIS. Granting that that method were adopted, what office ought to have charge of seeing the book through the press and getting it out?

Mr. JACOBSON. This is a point that is not very important. Personally, I should prefer to see that work done in the Bureau of Statistics, because it was the first in the field, and it would probably be better to have that office continue the work. But I am perfectly frank in saying that I would not trust anyone in the Bureau of Statistics to fix the size nor to fix the number of chapters or the programme of this abstract. I would not trust the Census Office because there will be a natural tendency to exaggerate the importance of census statistics. This tendency showed itself yesterday when it was stated that the figures coming from commercial organizations would be discarded and the census data, although only for decennial periods, would be substituted. I do not think that is right.

The CHAIRMAN. If it were done under a committee, as you suggest that would eliminate the chance of one office doing it?

Mr. JACOBSON. Yes. There is one point which I did not touch upon, and that is that the Statistical Abstract contains considerable information—I could not say just now how much—derived from private sources. Now, the choice of the sources and the presentation of this information requires some expert knowledge of things statistical, and I would suggest that after all this preliminary work done you have a statistical editor for the volume. It would be much safer than simply to leave it to the various offices to have the pages sent to the printer. There will be probably some adjustment to be made; some queries will come up—

Doctor NEILL. Adjustment of what kind, Mr. Jacobson?

Mr. JACOBSON. Take, for instance, the case of census data and data derived from other sources. There might be some duplication there might be some disagreement of figures, etc. It would be well to have a statistical editor and not leave the matter merely to the Printing Division.

Doctor NEILL. But a statistical editor could not make the changes.

Mr. JACOBSON. But he could see the disagreement and call attention to the changes that might be necessary.

Doctor HAVENNER. May I say just one word?

The CHAIRMAN. Certainly.

Doctor HAVENNER. There are some parts of the Abstract that should be edited by some one person, in my opinion. One of the faults of the present Abstract is that it is made up from clippings taken from various governmental and private sources, no two of which will have the same arrangement of States. For instance, Poor's Manual will make one grouping of States, and the Treasury Department will make another, the Census another, and the Bureau of Statistics another. These tables are taken bodily from the publications and put together in the Abstract without any thought as to their arrangement, so that a reader can not refer to any tables and find the same States in the same place. The Abstract certainly should be thoroughly edited by someone.

Doctor NEILL. Could not that be arranged in the beginning, Doctor Havenner, by having this committee which has been spoken of determine what would be the order, and then let each bureau

conform to that order? The question of editing would then be a very simple proposition, to see that that had been complied with.

• Doctor HAVENNER. Yes, sir; it might be done that way.

Mr. AUSTIN. The Statistical Abstract is, of course, the result of a natural growth of things and of bringing in new things which have seemed, at this time or that, to be of sufficient importance to justify bringing in; and doubtless it could be improved.

Mr. JACOBSON. I may say that last year a recasting of the Abstract took place in the Printing Division. The appearance of the Abstract has surely improved; but whether the arrangement adopted by the Printing Division is an arrangement which would have been adopted by a committee of statisticians I doubt. The arrangement I do not think is logical; it throws into the chapters matter which does not belong in those chapters, and I am quite sure that if a committee of statisticians should meet, this would not be the arrangement they would adopt.

Doctor HAVENNER. I should like to say just a word regarding the arrangement of the present Abstract. In 1905 I made up a temporary table of contents showing what I thought should be the grouping of the tables. Before that tables were scattered here and there through the Abstract without any thought as to their continuity. I submitted this proposed plan to the Bureau of Statistics and asked if they would not go over and revise it, and, if they approved of it or any portion of it, to adopt the same. I believe that, with very few changes, the suggested arrangement was adopted. I did not think it was a perfect one by any means, but it was the best I could do, looking at the work from a publisher's standpoint—not from a statistician's standpoint.

Mr. AUSTIN. I think that what Doctor Havenner did undoubtedly improved the Abstract in the matter of order. Doubtless it might be still further improved.

Professor WILLIS. While we are on that subject I should like to ask whether, in the final shape of the Statistical Abstract, supposing it to be put into ideal form, there would necessarily be a greater proportion of material drawn from statistics now collected by the Census Office than there would be from all other sources combined? I would like to know that as a matter of information.

Mr. JACOBSON. I believe that while the Census data would take up a certain amount of space, they would by no means take up much more space than they do now.

Professor WILLIS. They would not do so?

Mr. JACOBSON. I do not believe they would.

The CHAIRMAN. It would not be materially changed, in your opinion?

Mr. JACOBSON. But it would change the proportion of imports and exports decidedly.

Professor WILLIS. There would be no reason, then, in the mere relative amount of matter put into the volume as recast, why it should be in the hands of the Census Office?

Mr. JACOBSON. I do not see why the Census people should be more trusted with the publication of the Abstract than the Bureau of Statistics. After you have decided on the programme, the bulk of the volume, and the relative proportion of space to be taken up by each

class of statistics, I say it matters very little where the volume is published.

Professor WILLIS. Certainly; but, as I think we have brought out here very well, somebody is bound to have charge of this volume if it is going to be well done, for the reasons Doctor Havenner has mentioned, and for other reasons. Now, the question remains: Where are you going to leave that statistical work? The argument advanced yesterday was that it should be in the hands of the Census Office because an ideal volume would contain a greater quantity of census statistics than is contained in the present Statistical Abstract and probably more than would be drawn from other sources. What I want to get at is just what basis there is for that; that is, whether there is any reason in the nature of the case.

Mr. JACOBSON. The only reason that I can see is that the Census people have been publishing more statistics than any other office.

Professor WILLIS. Would they publish more in the volume as recast?

Mr. JACOBSON. As I said before, I believe they have all the space they want. I do believe, however, that our office has taken up too much space in the Abstract.

Mr. AUSTIN. What particular office or subject, in your judgment, should have the largest percentage of space in a volume of that kind?

Mr. JACOBSON. In this I would not trust my own judgment. If you have a dozen gentlemen come together and fight it out among themselves, I think it would be a good thing, because then the true proportion would probably come out in the final result. For instance, I think Doctor Neill is entitled to a place in the Abstract. The Labor Bureau has been in existence for a long time, and the question of labor does not exist in the Abstract.

The CHAIRMAN. Would not the true test be that the Statistical Abstract should present in one volume what the public most wants? Since they can not have everything in detail, the volume should touch the vital questions which concern the people who use statistics day by day, the business men whose business is based upon statistics; it should present the statistics that the standard trade papers pick up, and give that information that touches the life of the reading people.

Doctor HAVENNER. It should be drawn from all sources.

Mr. AUSTIN. Mr. Jacobson, if this were done, and perhaps one-half of the number of pages that are now occupied by commercial statistics were eliminated, then you would think that that must be published elsewhere, I presume?

Mr. JACOBSON. Well, I can not answer that. I think that little use is made in the volume of averages. For purposes of historical inquiry, it is just as good to know the average for ten years as it is to have figures for each one of those years. It would not do to eliminate intermediate years, because that is statistically wrong; because you are never sure that you have struck off the right years. But if you average things, then the less important causes—the accidental causes as it were—are averaged, and they counterbalance each other. So I believe, for instance, that instead of printing figures covering, we will say, 1800, 1801, 1802, 1803, and so on, it would be just as well to have the figures averaged for 1800-1809, 1810-1819, and so on, and in this way you could probably save a good deal of space.

Mr. AUSTIN. But those original figures from which you make your averages must be published somewhere, I presume?

The CHAIRMAN. They must be available somewhere. Whether they are published or not is another question.

Professor WILLIS. You already have them in the old Statistical Abstract.

Doctor HAVENNER. If you put in your averages by either decennial or quinquennial periods, would you add the last ten consecutive years at the bottom of your table?

Mr. JACOBSON. Yes, sir.

Doctor HAVENNER. That, in my opinion, would be the ideal arrangement for an abstract.

Professor WILLIS. Mr. Jacobson, who has direct charge of the Statistical Abstract at the present time? Who is directly responsible?

Mr. JACOBSON. I am not quite sure. I think it is Mr. Whitney, chief clerk of the office, who has direct charge of the Statistical Abstract.

Mr. AUSTIN. Yes.

Professor WILLIS. Is there anyone in the Census Bureau, who is conspicuous for skill, whom you would consider qualified to take charge of this Statistical Abstract?

Mr. JACOBSON. I do not know, sir. A considerable part of the work of the Bureau is given to answering inquiries of a statistical nature. The scope of the work is as limitless as the interest or curiosity of the people who send these inquiries, and in many cases goes beyond the special range or province of the Bureau. For instance, the idea of a tariff division, employed in publishing the foreign tariffs and answering inquiries regarding the application of foreign tariffs to imports from the United States, originated in the office as a result of numerous inquiries from commercial sources with regard to the working and application of tariffs in foreign countries. Inquiries regarding the workings of foreign railways, of taxation, public debts, municipal ownership, budgets, commercial and savings banks—hundreds of such questions reach the office, and are referred to our Bureau by other offices. As a matter of fact, most of these inquiries reach the office either because they are addressed by outsiders "Bureau of Statistics, Washington," or come from other offices because these offices are either unwilling or unable to answer these inquiries.

These miscellaneous inquiries, as well as numerous inquiries from Congressmen on subjects which were the topic of discussion in the Houses at a given time, are somewhat responsible for the monograph work of the Bureau, which has constituted a permanent feature of the work of the Bureau for the last nine or ten years. This work bears no direct relation to the regular routine of the office, though in the commercial monographs proper the United States trade figures, as well as the trade figures of foreign countries on file in the Bureau library, have been drawn upon to a considerable extent. The work is done mainly in the division for which the name "Intelligence Office" might be chosen; and I am frank to say this work could be performed as well outside the office as in the Bureau proper. The only requirement that should be stipulated is that such an office should have proper library facilities. Personally, I believe that the collection of the Bureau of Statistics is fuller and better arranged for the purpose of this work.

Now, the qualifications required for work of this character—monograph work—it is superfluous to state, are of a higher character than those required of the average worker in the Bureau. The qualifications include, I would say, a thorough training in economics, skill in handling the statistical material, a knowledge of foreign language which is indispensable, and, of course, the gift of literary expression. This work, not being at all routine in character, I think should be credited to the proper authors and not be thrown in as an anonymous part of the Monthly Summary.

Now, to answer your question as to whether the Census should absorb the Bureau of Statistics, I will say in all frankness that I do not believe in the wisdom of the proposition. I do not believe it would be in the interest of greater economy. It was acknowledged here yesterday by Mr. Steuart that for some years to come he did not believe that the work of collecting import and export statistics would be done more economically in the Census Office, and I am willing to take his word for it. I do not believe that the work will be done more efficiently, because the mere formal transfer of the Bureau to the Census Office, as I tried to prove, would not improve its methods, and therefore the work would remain as it is. It would be a purely formal transfer; there would be no organic amalgamation between the work of the Census Office and the work of the Bureau of Statistics.

So far as the completeness of the work is concerned, I think that our import and export statistics compare favorably with like statistics of other governments. I believe that our schedule is antiquated and should be improved, but so far as completeness of work is concerned and the various combinations made use of, the work of the office stands comparison very well.

The use of mechanical appliances, particularly the Hollerith machine, as was brought out here some days ago, has been tried in this office and found wanting in some essential particulars. I may say that the German office, after trying the Hollerith machines, was not satisfied with the results and discontinued their use. In Austria they tried the Hollerith machines and after some improvements substituted their own machine, and Mr. Hollerith is not very well satisfied with the Austrian office. He thinks he was unfairly treated. However, we do not know enough about it to say what really happened there. Tabulating machines and other mechanical devices more satisfactory than those tried are devised in the Census Office—I understand they have a mechanical shop there and are experimenting all the time—there is no reason why this office should not make use of these new machines, as well as the Census Office, without losing thereby its identity and independent existence.

It is true that the transfer of the office from the Treasury Department to the new Department of Commerce and Labor broke up its organic connection with the fiscal branch of the Government, particularly its connection with the customs division. If it is thought that things will improve by reestablishing this connection and that it is sufficiently important to have matters improved at once, there is no reason why the import and export statistics should not be transferred to the Treasury Department. As a matter of fact, as I pointed out in my letter to the Secretary, the greater part of the offices collecting import and export statistics in Europe are part of the fiscal branch.

As I said before, the Statistical Abstract is not a thing that organically belongs to the Bureau of Statistics. The Bureau of Statistics took up the work when no one else thought of it, and unless you take out the work and give it to an interdepartmental statistical committee I do not believe that any improvement in the Statistical Abstract will be made by merely transferring the work to the Census Office. I pointed out the reasons, and I do not believe I need repeat them now.

So far as the work of my division is concerned, all I can say is that if you want statistics of internal commerce that take in the rail movements—and of course the rail movements are the most important movements in the country—then this division should be given access to the records of the Interstate Commerce Commission; or, if you think that the Interstate Commerce Commission could do it better, then have the traffic statistics taken over by the Interstate Commerce Commission. The Interstate Commerce Commission has charge of all interstate commerce, and of course it will include movements by rail, movements by river, and movements by canal, so far as these canals are interstate canals. I do not wish to have myself thrust upon them, but if the committee makes recommendation, possibly a recommendation might be inserted that this work be taken up by the Interstate Commerce Commission in greater fullness and completeness, and that the internal-commerce work as at present done in the Bureau of Statistics be done by the Interstate Commerce Commission.

Mr. AUSTIN. Do you mean all the internal-commerce work?

Mr. JACOBSON. All the internal-commerce work, including the movements by river and rail. As to coastwise commerce, I am not sure whether that belongs to the Interstate Commerce Commission or to the Bureau of Corporations.

Mr. AUSTIN. And lake commerce?

Mr. JACOBSON. As to the lake commerce, you would have the difficulty of the Interstate Commerce Commission coming into touch with the collectors of customs. There will be probably a little difficulty in using the new channels between the collectors and the Interstate Commerce Commission, but I think that will adjust itself in time. Another way out would be to have a large "Bureau of Commerce." This Bureau of Commerce should be composed of the present Bureau of Statistics, with its various divisions; the Bureau of Manufactures, with its Consular Report Division and the Tariff Division, and then some board composed of representatives of the various trade bodies. I believe that the time is coming when these various commercial organizations will demand representation in the administration of the Government, and I think that it is but fair to this Department that the board of representatives of the various commercial bodies should find a place in this Department. This board or conference, or whatever you may call it, together with the various offices that I have enumerated, might constitute a large Bureau of Commerce, to which the transportation statistics might be profitably transferred. That would then be a very large bureau, and in this way you would probably avoid breaking up things and dismembering present bureaus.

But after all I think that improvement of the quality of the work is not so much a question of proper organization as a question of raising the professional standing of the personnel or those people who have charge of the planning and supervising the work. ~~What~~

your decision in the matter may be, one thing I think will stand out clear, and that is the need of more harmony and cooperation between the various statistical offices and the executive offices interested in the statistical work with the statistical offices. Personally, I believe that it may prove more economical in the long run to employ a high-priced expert to direct a special statistical investigation than to have it performed in a large office along routine lines. The nature of statistical work is peculiar in the sense that once an investigation is started along certain definite lines it is practically impossible to make corrections or improve the methods of inquiry while the work is in progress, or when the greater part of the work is done. In most cases a piece of work started wrongly is spoiled forever, and if published and used for administrative purposes will probably cause harm and result in a loss greater than the difference in cost between work done improperly and work done properly by a high-priced man. I think that is about all I have to say in the matter.

Mr. AUSTIN. Mr. Jacobson, I would like to make just one suggestion. In our internal-commerce work we gather the statistics of simply a few articles. If you would explain the value of the figures of those few articles for a given term of years, as in determining the general growth of the commerce of the country, I think that is the real important feature of the internal-commerce problem.

Mr. JACOBSON. As I said before, it is not possible to present all the commercial movements or present commercial movements at all centers. We have to choose representative localities and representative commodities. Now, what we are trying to do is not to duplicate census work, but to get an idea of the ebb and flow of commercial movements so as to know what is going on in the commercial field. Our figures, to be sure, come out a little later than the figures in the trade papers, but they cover a wider range of subjects and give a more complete picture of the commercial activities for a month or a year than any special trade publication. I think that is one of the justifications of the work we are doing. We do not intend to duplicate the work of the Census, and it should never be expected that our figures would agree with the Census figures.

Professor WILLIS. To what extent do you think these figures of internal commerce are employed now by trade papers?

Mr. JACOBSON. This, of course, is not for me to say; but, as far as I have been able to see, the figures of the various movements are used in the various trade papers. It is true that no one trade paper publishes all the figures that appear in the summary; but the coal papers, for instance, will put in practically all there is in the chapter on coal. the people on the lakes will use a good deal of the lake information. the people in the live-stock trade will use the live-stock figures, and so on. So it meets some of the demand.

Professor WILLIS. Is the interest in the figures probably increasing or decreasing?

Mr. JACOBSON. I think it is increasing a good deal, judging from the fact that the figures appear now in a good many publications which had no room for them before.

Professor WILLIS. If you are going to get any statistics on this subject at all, could it be done at less cost than it is now done?

Mr. JACOBSON. I believe not. As a matter of fact, the lake commerce statistics do not cost us any money.

Mr. AUSTIN. Except the compilation in the office?

Mr. JACOBSON. Yes.

Professor WILLIS. And that could hardly be reduced?

Mr. JACOBSON. No. I use a man and a half or a man and a quarter on the lake commerce, and they are rushed during the summer months, so really I need another man.

Professor WILLIS. Did I correctly understand you yesterday to say that Germany is the only considerable foreign country in which the commercial statistics are collected and published by the central statistical office?

Mr. JACOBSON. Practically the only country of importance which I can think of that publishes foreign trade statistics in the central statistical office is Hungary, but Hungary collects only the statistics of its own customs offices; it does not get the statistics for the two halves. The statistics for the two halves of the Austro-Hungarian Empire are collected by the Austrian office, and the Austrian office is a part of the ministry of commerce.

Professor WILLIS. And even in Germany, as I understood, there is a separate and distinct division of commercial statistics, which was really the origin of the whole office. Was I correct?

Mr. JACOBSON. Yes.

Thereupon, at 11.15 o'clock a. m., the committee adjourned until Monday, October 14, 1907, at 9 o'clock a. m.

FOURTH DAY.

MONDAY, *October 14, 1907.*

The committee met at 9 o'clock a. m. in the office of the Assistant Secretary of Commerce and Labor.

Present: Messrs. Murray (chairman), Neill, Austin, and Willis.

STATEMENT OF MR. N. I. STONE,

Tariff Expert, Bureau of Manufactures, Department of Commerce and Labor.

The CHAIRMAN. Mr. Stone, what experience have you had in handling statistics?

Mr. STONE. My handling of statistics has largely been in a private capacity. In my Government service I have not done any statistical work proper. I was at one time the editor of the department of countries and cities of the International Cyclopedia, and in that capacity I had naturally to deal with a pretty wide range of statistics relating to the different countries, including, of course, statistics of exports and imports as well as a great variety of other statistics, such as manufactures, railroads, finance, etc. I have been a close student of Government statistics all the time since my college days. I did some work for the Industrial Commission in connection with an investigation of the effects of speculation on prices of wheat and cotton. That was a purely statistical report that I prepared at that time.

The CHAIRMAN. Before you were transferred to the Bureau of Manufactures of this Department you were in the Bureau of Statistics of this Department?

Mr. STONE. Yes, sir; but my work there was the same as it is now, having charge purely of the tariffs. Of course, that is not, strictly speaking, statistical work, but I had an opportunity to observe the work in the Bureau of Statistics, and I think I know more or less of it, because I was in there for a while and used to come a good deal in contact with it before I became connected with it.

The CHAIRMAN. From your knowledge of the organization and work of the Bureau of Statistics, which knowledge you have gained from actual work in that Bureau, and from the information which you have as to the organization and methods of the Census Office, which information I presume you have gathered by a study of its publications, do you believe it would be in the interest of good organization to consolidate the two Bureaus?

Mr. STONE. I presume you do not want me to answer this question by yes or no, and in fact I could not answer it in that way. Under certain conditions I might be in favor personally of such a consolidation. Under others I should say most emphatically "No;" and in order to answer the question in a clear and intelligent manner it would be necessary to analyze the work of the Bureau of Statistics and to some extent compare it with the work of the Census. I shall also take the liberty, if there is no objection, of saying a few words upon the work done in foreign countries, because a good deal has been said on this subject; but of course I shall abstain from going over the same ground that has been touched by other witnesses.

We all understand now that with very few exceptions the work of the compilation of statistics of imports and exports is done in most countries in connection with the customs administration. I suppose it is not at all surprising, because statistics of imports and exports appeared almost everywhere long before people thought of statistics in general. It was a matter of importance to every government to register the figures of imports and exports, because it was a part of its fiscal administration; but perhaps they did not look at it as a statistical matter. It was a question of bookkeeping. So this commercial arithmetic, as they called it in the seventeenth century, was a thing that appeared long before people thought of statistics in general. They did not think of statistics in a broader sense, as we understand it now, until some time in the nineteenth century, by which time they had in existence departments of commerce and departments of the interior, which were devoted to those subjects. It was perfectly natural that the newer bureaus of statistics should start in entirely different departments and that there should be no consolidation between the two kinds of statistical bureaus.

In Germany we have an instance of a very young nation. Although the separate German States are very old, the German Empire as a whole is younger even than our young United States. And there, where they had time to go in a deliberate way, instead of letting things grow of themselves, as Topsy "grewed," we see an attempt to centralize this work and coordinate it, and we see that almost the entire statistical work is handled by one central statistical office.

In order to give you some idea of the work done by that office, I thought I would enumerate the most important publications issued by the imperial statistical office.

They have several series of statistical publications. One of them consists of the annual volumes devoted to different subjects. Among these is an annual on the foreign commerce of the country, another on inland navigation, a third on maritime navigation, a fourth devoted to criminal statistics, a fifth on insurance against sickness, and sixth on strikes and lockouts.

Another series is the quarterly statistics of the German Empire. That is a large quarto publication issued quarterly. It contains in addition to the advance statistics covered by those annual volumes that I just mentioned, quite a mass of other statistics, and I will enumerate a few of the subjects there dealt with:

1. Marriages, births, and deaths.
2. Emigration.
3. Education of recruits.
4. Acreage under cultivation and crop statistics.
5. Statistics of production in mines and mills. That corresponds our statistics of the Geological Survey and partly to our statistics the Census.
6. Boiler explosions. They have special statistics on that subject, I suppose, in connection with their factory legislation.
7. Child and female labor.
8. Internal-revenue statistics. They have internal-revenue taxes on beer, brandy, salt, sparkling wines, tobacco, and sugar, and all these are accurately recorded.
9. Financial statistics of the separate German states.
10. Statistics of failures. This is a branch of statistics that this country has not attempted to follow at all. These statistics correspond to those furnished by private agencies, like Dun's or Bradstreet's in this country.
11. Wholesale prices.
12. Stock-exchange statistics.
13. Statistics of slaughterhouses.

These are the most important subjects which are regularly treated in this quarterly publication, in addition to those other statistics that mentioned in the annual volumes, but which are also given there in the form of advance statistics.

In addition to this it also contains occasionally—that is, whenever a census is taken—all the advance statistics of the census returns. These quarterlies also contain monographs on subjects relating to port statistics, commercial statistics, navigation, production, insurance, fisheries, consumption of various commodities, etc. Those monographs are probably a good deal like those published by the Bureau of Statistics in this country. They are published in the quarterly very frequently and then in the form of separate reprints. Sometimes they are published entirely separate.

A third class of publications is the Monthly Summary of Foreign Commerce, which is practically similar to our Monthly Summary. This is also published by the central statistical office.

A fourth publication is the Statistical Abstract of the German Empire, which is also similar to our Statistical Abstract of the United States, except that it covers a wider range of subjects.

Before I realized that this subject would receive so much attention here from Mr. Jacobson I had prepared a comparative table. I

have a few copies and will be glad to pass them around to the members. In one column of this table I have put down the contents of the United States Statistical Abstract, and in the other column the features of the German Abstract which correspond to those of the United States. Where there is no corresponding feature you will find the column blank, which will show what we lack.

The CHAIRMAN. The table will be incorporated in the record.

The table referred to is as follows:

Comparative table of contents, United States Statistical Abstract and Statistisches Jahrbuch für das Deutsche Reich.

	United States Statistical Abstract.	Statistisches Jahrbuch für das Deutsche Reich.
1	Area and population.	(Gebietseinteilung und Bevölkerung.
2	Finance.	(Bewegung der Bevölkerung.
3	Imports and exports.	(Geld und Kreditwesen.
4	Manufactures and mining.	(Finanzwesen.
5	Agriculture.	(Auswärtiger Handel.
6	Prices of commodities.	(Gewerbe.
7	Transportation.	(Land- und Forstwirtschaft.
8	Merchant marine.	(Preise.
9	Post-offices.	(Verkehr.
10	Railway-mail service.	
11	Patents and trade-marks.	(Patente und Gebrauchsmuster.
12	Pensions.	
13	Military statistics.	(Kriegswesen.
14	World statistics.	(Internationale Übersichten.
15		(Estimates of consumption.
16		(Criminal statistics.
17		(Election statistics.
18		(Insurance (life, health, old age, fire, marine crops, etc.).
19		(Cooperative associations.
20		(Labor market.
21		(Organizations of employers and employees.
22		(Medical and hygienic statistics.
23		(Gymnastics and sports.
24		(Veterinary statistics.
25		(Meteorologic statistics.
26		(Statistics of territories, graphic illustrations.

Mr. STONE. In addition to this the central statistical office in Germany issues all the census reports, and the Germans probably have come nearest to the United States idea of census data, in that they go beyond the mere population statistics and give statistics of occupations, manufactures, agriculture, etc.

I have dwelt on this at some length, not to use it as an argument that because the Germans have a statistical office of that kind it necessarily follows that we must do the same thing. It all depends on the conditions under which the work is done. But the reason I have gone into it is simply to show that you can have a central office where the great variety of subjects is treated, both from the point of view of census statistics, strictly speaking, and registration statistics—where they treat them all in the same office and do very creditable—and, in the case of the Germans, excellent—work. Whether it can be done also in this country or in any other country depends on the conditions under which the work is done. In Germany they are successful, I believe, largely for two reasons. First, they get excellent men to take charge of the work. I do not think it would be possible in Germany for any but a university graduate, one who can show that he has made a special study of economics and statistics, and one who can also show that he has had some practical experience, to get a responsible position.

tion there. Then, when they put a man in charge they not only hold him responsible for the work, but they give him credit for the work he does. His name appears in connection with the reports which are published. I think that is also done very largely in our own census publications. He is also allowed a good deal of discretion in planning and mapping his work.

Now, if you wish to ask any questions at this point in connection with the foreign statistics, I shall be very glad to answer them, because I am through with that part of the subject.

Professor WILLIS. I would like to ask one question. Did I understand that in most of the European countries the bulk of the statistics is collected by this central statistical office? That was your statement, was it?

Mr. STONE. No. On the contrary, I said that in most countries the statistics of foreign commerce are handled by the treasury department or by the finance department.

Professor WILLIS. Exactly: I understood that. But the bulk of the other statistics is handled by the central statistical office?

Mr. STONE. Well, I did not say that, although I think on the whole it would be true. But I did not go into that part of it at all.

Professor WILLIS. I thought you did.

Mr. STONE. I said that was the case in Germany.

The CHAIRMAN. I would like to have you outline the organization of this central office, Mr. Stone, beginning at the head and taking it all the way down.

Mr. STONE. I do not know that I am thoroughly familiar with all the details.

The CHAIRMAN. By the way, Mr. Jacobson, are you?

Mr. JACOBSON. Yes, sir: more or less.

Mr. STONE. I should be glad to have Mr. Jacobson take my place.

The CHAIRMAN. I wish you would state, Mr. Jacobson, just what that organization is. You have been there and made a study of it, have you not?

Mr. JACOBSON. Yes. The organization in a general way, without going into details, is as follows:

The central statistical office is a part, from an administrative point of view, of the department of the interior. The president, as he is called, of the statistical office is not a cabinet officer, though in matters pertaining to the administration of his office, or in matters pertaining to the statistical work of his office, he appears before the Reichstag and reports to the national representatives whenever required. Under him are two men whom you might call assistant directors, of whom one is in charge of the commercial statistics. Then there are fourteen gentlemen who are called members.

Mr. AUSTIN. You said one was in charge of the commercial statistics. Do you mean that the other has charge of all the other statistics?

Mr. JACOBSON. I could not say that. No title is given, but the gentleman, who is one of the assistant directors, is in charge of the commercial statistics. That is all I can say from looking at the Blue Book.

As I said before, there are fourteen gentlemen who are called members of the Amt. or the statistical office, besides a number of scientific workers in charge of special investigations for which we

special talent is available in the office itself. There is a council for labor statistics, presided over by the president or a person designated by him, and composed of seven members representing the Bundesrath and seven other members representing the Reichstag. Another commission, composed in part of specialists of the office and representatives of trades and industry, meets each year at the office in order to fix the unit values for imports and exports, on the basis of which values the total values of the various classes of imports and exports are determined.

It is these gentlemen who have charge of the various branches of the statistical work that is being done by the office. These gentlemen have very little to do with the routine or purely mechanical work, because for that they have a machine room and they have their copyists and other men. These are the men who plan and direct the statistical work.

Mr. STONE. They direct the scientific part of it?

Mr. JACOBSON. Yes; and comment on it when they get the tabulation ready. And inasmuch as the statistical office, especially the division of foreign statistics, is a central office in the sense in which I explained a few days ago—that is, gets all the single transactions or entries from the custom houses and does not leave any compilation work to the local offices—the staff of workers is much larger, of course, than in the case of our Bureau of Statistics. They have a permanent staff there of 300 people constantly employed. When there is census work the number of men employed will be probably larger by a few hundred.

Mr. STONE. You mean 300 in the entire statistical office?

Mr. JACOBSON. Yes. The permanent staff—those that appear in the Blue Book for 1907.

Mr. AUSTIN. Can you give us any idea as to what proportion of these are engaged in purely commercial work?

Mr. JACOBSON. I could not tell.

Mr. AUSTIN. Would you say one-half or two-thirds, aside from the census force?

Mr. JACOBSON. I should say that the larger part of those permanent employees were engaged upon the work of compiling, tabulating, and publishing the commercial statistics.

There is one thing I want to bring out which I had no occasion to speak of when I appeared here a few days ago, and that is that the census work of Germany is not a centralized affair to the extent that it is here. The census work is done by the central office in conjunction with the state offices, the bulk of the work devolving upon the state offices. The central office lays down a certain programme which is to be executed. The state offices naturally are interested in a good many details that the central office does not care to publish, and the result is that the central statistical office is merely a clearing house for the information collected by the state offices. You can readily see that this is a great saving of work and expense.

The CHAIRMAN. Thank you, Mr. Jacobson.

Mr. STONE. Our Bureau of Statistics in this country is not what I would call a homogeneous entity; that is, it does not do just one kind of work, and therefore this is the main reason why I said I could not answer your question by "yes" or "no." There is certain work there that might be done with advantage, under certain conditions, in

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the Census Office, and there are other parts of it that would not fit in there at all, in my opinion.

The work of the Bureau of Statistics can be roughly divided into three divisions. One is the Compilation Division—I call it the Compilation Division; I do not know whether that is the real name.

Mr. AUSTIN. That is right.

Mr. STONE. I will define each of these separately later. Another is the Internal Commerce Division, and the third is what they call the Intelligence Branch, although I think it could be dignified by a more important name, and that is the Foreign Statistical Division. That is what it really is. Then there is this publication of the Statistical Abstract, which does not belong to any of those divisions. The first work, that of the Compilation Division, is simply compiling the returns of imports and exports as furnished by the various customs collectors. It is largely mechanical work; I would not say exclusively, but it is largely mechanical work; it is almost automatic. It requires of course a good deal of brain work to get the thing started, to lay out the schedule and all that; but having been started, it is done by people without any special qualifications than those of—I was going to say bookkeepers, but they do not even have to be good bookkeepers. It is really a matter of copying the returns into large books, adding up the results and transferring them to the final sheets. To some extent it can be done by machinery, and is being done to some extent in the Bureau to-day. Some improvements could be made in the tables of imports and exports, some of which Mr. Jacobson spoke of the other day, and which I need not dwell upon. A little improvement probably could be made by giving the statistics of imports and exports under countries in greater detail; but this is a small matter.

Now, this work probably could be done just as well in the Census Office, if one wished to consolidate the two, as it is done in the Bureau of Statistics. I do not say that there is any organic connection between the two. It would not make any difference to the Census Office whether the work was done there or not, and I do not think it would make much difference to the work of compilation whether it was done there or not, except, perhaps, that the Census would be in better position to introduce more machinery for the addition process. The Census is in that respect more favorably situated; it has a large number of machines which it probably could set aside to some extent for this work. It gets more money from Congress for that purpose. But for that point, I do not know that it would make any difference where it was done.

Now I am through with that part of the subject and will be glad to answer any questions on that point.

Mr. AUSTIN. Do you think, Mr. Stone, that the Census would really be in any better position to supply machines for the use of a bureau or division whose work is almost constant as ours is, and therefore must use the machines a considerable part of each month? Do you think that the Census would be able to place at the disposal of the Commercial Statistical Division machines which it would use some other part of the time in its other rooms? Would it not be necessary, in other words, for the Commercial Statistical Division to have constantly under its immediate supervision all of the machines which it uses in that monthly work?

Mr. STONE. Probably it would be. I do not know that I am competent to answer the question.

Mr. AUSTIN. Then, the point that probably there might be an advantage in the use of the machines would hardly adjust itself to the fact that those machines must be used probably more than half the time?

Mr. STONE. So far as I know, the Census does not use its machines except at the time of the compilation of the census, which is once in five or ten years, so that during the interval those machines perhaps could be utilized.

Mr. AUSTIN. Yes; but what would the Commercial Bureau do when the Census is using the machines?

Mr. STONE. Perhaps then it would have to have those special machines. I do not know that in the Census the machines are used continually even during the time of enumeration, and I do not know whether it would be necessary to use the machines continually in the Bureau of Statistics, because to the best of my knowledge these machines would have to be used probably for a few days toward the end of the month, when the final tabulation has to be made.

Professor WILLIS. Do I understand, Mr. Stone, that you think the machines are used by the Census only once in five years?

Mr. STONE. When I say only once in five years I do not mean for one day in five years.

Professor WILLIS. Oh, no.

Mr. STONE. But only when they have to tabulate the final returns.

Professor WILLIS. Are they not used on these other inquiries, such as municipal statistics?

Mr. STONE. They may be using them, but if they are it certainly does not take as many machines to tabulate those comparatively small returns as it does to tabulate the statistics of population of the United States during the decennial census. So they must have machines that are not used continually.

Professor WILLIS. I think this point about the machines is a very important one, because nearly every witness has referred to that in some connection or other, and yet personally I feel very hazy and vague on the subject. Now, I am quite positive that I have understood that the machines used in the Census Office during the last census were no economy at all, and that they were discarded, and that since that time the Census Bureau has been at work perfecting new machines. Do you know whether that is true?

The CHAIRMAN. I do not think there is any such thing as that in evidence, Professor Willis.

Professor WILLIS. You think that is erroneous?

The CHAIRMAN. Yes. The reason that the Government undertook to perfect its own machines was that it paid three-fourths of a million dollars for those, and by perfecting its own machines it will have them there.

Mr. STONE. That was my understanding, that they thought the charges of Mr. Hollerith were extravagant, and they thought they could make some further improvements in the machines.

The reason I spoke of the machinery question was this: I remember you asked the question the other day of one of the witnesses whether he did not think that the Bureau of Statistics could just as well put in those machines. Perhaps it could, but I am taking the

conditions as they are, not as they might be. The Bureau of Statistics has not been able so far to put in any improved machinery. That Bureau has not the standing in the eyes of Congress that the big Census Office has and Congress will naturally give money to the Census where it may refuse it to the Bureau of Statistics. I believe the Census now has something like \$40,000 a year just for the purpose of experimenting upon those machines and improving on them. That being the case, the Census can easily, I think, supply this deficiency for this comparatively small Division of Commercial Statistics, where the Bureau of Statistics might not be able to do a thing.

Professor WILLIS. As I understand you, then, the Census will before long have these machines in a much more satisfactory condition than they have been?

Mr. STONE. They are working on that. Whether they will accomplish it is of course another question.

Professor WILLIS. Is the cost of the machines very great? That is, when you have completed your diagram, models, etc., is it a very costly matter?

Mr. STONE. I do not know.

The CHAIRMAN. You can get that better from the Census.

Professor WILLIS. What I wanted to get at was the question whether the machines could be supplied to the Bureau of Statistics or whether they must be used in the Census Office?

Mr. STONE. I do not see why the Bureau of Statistics could not purchase one provided Congress would give it money for the purpose. But I know from some experience that it is exceedingly difficult for a small office to get money for certain purposes, where a large office gets it almost without effort, by merely asking for it.

Professor WILLIS. Mr. Chairman, while we are on that point, after what you said a moment ago. I think perhaps I ought to add that I have been told by some of the men who were closely connected with the last census that there was a question whether they saved anything by the use of the machines.

The CHAIRMAN. That may be, but that did not come out in these hearings. Of course I was thinking of what transpired here.

Mr. AUSTIN. Mr. Chairman, on pages 37 and 38 of the testimony taken thus far this question is discussed, and you will find that that question was raised as to the probable cost of the machines, and the statement was made by Mr. North that the cost would be small and that the matter was not worth considering, the meaning being that it would be practicable for the Bureau of Statistics to have the machines.

The CHAIRMAN. I remember the discussion we had on the question of the machines. I do not think Mr. Stone, however, is competent on that question, because he has not used the machines, never has seen them used, has never been in an office where they have been used, and is not a mechanic.

Mr. STONE. No.

Professor WILLIS. I think that point is very well taken. I merely wanted to suggest that he was speaking of the possible economy of the machines without stating distinctly where that economy would lie.

Mr. STONE. I did not intend to state that. I threw it out merely as a suggestion that if there was any advantage in such a combina-

tion it possibly might come there. I did not see any advantage in any other direction, because I do not believe that if the work is to be done properly you could do away with the chief of the division who is in charge now of those statistics. So that there could be no economy on that score. There could be no economy so far as the personnel is concerned. If there could be any economy, it would be either in the introduction of machinery or perhaps the general economy that might result from the saving of the personnel in the administrative part of it. That would be about all that I could see.

The CHAIRMAN. Mr. Austin, I want to ask you a question here please. As a matter of fact you can not use the machines unless you transcribe the information on cards, can you?

Mr. AUSTIN. Unless you punch the information on the cards.

The CHAIRMAN. That transfers it just the same?

Mr. AUSTIN. Yes.

The CHAIRMAN. Then you take the punched cards and run them through accounting machines, which totalizes them?

Mr. AUSTIN. Yes.

The CHAIRMAN. Of course in your Bureau you have found, I take it, that doing that would increase your expense. In other words you have to have more clerical work to get your cards punched in the first place, and then to have them counted, than you would if you simply did it by hand?

Mr. AUSTIN. Yes. And not only that, but it was an actual loss of time. The experiment, as far as we carried it out, was that we could not get our work out as quickly with the machines, because the cards had to be all held until the returns of all the collectors were in before we could begin running them. The returns would begin about the 5th and run until about the 15th.

The CHAIRMAN. And you can go on tabulating just as the information comes in?

Mr. AUSTIN. Yes.

The CHAIRMAN. But under the card system you would have to get all the information in hand before you could begin working?

Mr. AUSTIN. Yes.

Professor WILLIS. That seems to me a very important point, and if the Census has found in its experience that only with large masses of statistics is there any economy in the use of the machines, and that there it is somewhat doubtful, I think the suggestion that there would be an economy from the use of the machines in this work is one that ought to be analyzed very carefully.

Mr. AUSTIN. I do believe, Mr. Chairman, that if it were possible to transfer this information to the cards within a reasonable time it would then be advantageous, because we could bring out so many more facts.

The CHAIRMAN. Under the present system the returns straggle in from day to day, and you begin using them just as soon as they come in?

Mr. AUSTIN. Yes.

The CHAIRMAN. The clerks digest that information and get it up and when the last return comes in you have all the previous work in shape. With the card system you would have to wait until everything was in?

Mr. AUSTIN. Yes. That was the difficulty that we found when we attempted the machine system.

Professor WILLIS. I should like to know whether any of the other gentlemen who are here are familiar with that phase of it at all. I think that is an important thing to get.

The CHAIRMAN. On what point, Professor Willis?

Professor WILLIS. As to the extent to which it is necessary to have all the statistics in hand before the punching of the cards can be done.

Mr. AUSTIN. I could bring before the committee one or two men who handled the details of the work when the machine was in the office.

The CHAIRMAN. I have seen those machines work. I do not see why it is not just as easy to hand the schedule to a punching clerk when it first comes in to have him punch these cards and lay them aside, and have them all punched just as they come in. The actual running through and accounting is just like feeding a few bushels of wheat into a hopper, is it not?

Mr. AUSTIN. They go through very rapidly.

The CHAIRMAN. We will pass over that for the present.

Mr. STONE. The second division in the Bureau of Statistics is the Internal Commerce Division. That the work of the division is very far from being in perfect form has been told to the committee by the chief of that division. It is, of course, not his fault and not the fault of the Bureau of Statistics that the work is not complete and not perfect. The fault lies in the lack of authority on the part of the Bureau of Statistics to demand the production of those figures.

Now, there is really one office to which this work really belongs and which could do it probably with a greater degree of perfection and completeness, and that is the Interstate Commerce Commission. But, as I understand, that is out of the question, since the Interstate Commerce Commission is trying to get rid of its statistical work.

Doctor NEILL. You think it should go to the Interstate Commerce Commission?

Mr. STONE. I think it properly belongs to the Interstate Commerce Commission. The Interstate Commerce Commission is handling the statistics of internal commerce. I fully agree with Mr. Jacobson that the railroad statistics are not complete without statistics of traffic carried by the railroads. The Interstate Commerce Commission really needs those statistics, and it is in the most advantageous position to get them, especially from the railroads, because it has established channels of communication with them; they are accustomed to furnish statistics to the Interstate Commerce Commission, and would probably resent being bothered, as they would probably say, by any other governmental bureau. I understand that even the Interstate Commerce Commission has considerable difficulty in getting what it wants.

Doctor NEILL. How would it be if the Interstate Commerce Commission were to collect those statistics and turn them over to the Bureau of Statistics for its use?

Mr. STONE. As I understand, it would not be a very practical way, because the statistical material would be immense and it would be physically inconvenient, if not impossible, to carry it from one bureau to the other and back again. On the other hand, it would be almost impossible for that division of the Bureau of Statistics to go bodily

down to the Interstate Commerce Commission to get the figures. But if you had to do that, it would be more convenient to transfer them once for all.

Doctor NEILL. What I had in mind was this: It might be possible since the Interstate Commerce Commission is gathering figures and has easier access to the railroads, that they would get some statistics that they themselves had no use for—they would have no division to handle them and no experts to deal with them after they were received. In a case of that kind could the Interstate Commerce Commission be used as a collecting agency and the statistics be turned over to another bureau which is capable of handling them?

Mr. STONE. Theoretically it seems to me a good proposition, but practically I do not think it is feasible.

Mr. JACOBSON. If I may be permitted to suggest, the traffic statistics are furnished by the railroads together with the financial statistics. There is one sheet or two sheets in that abstract which every railroad sends to the Interstate Commerce Commission. The Interstate Commerce Commission adds up the figures and gives each year on two pages of their Statistics of Railroads in the United States an account of the traffic carried, both originating on the roads and received from connections. That is all they do.

Doctor NEILL. The reason I asked was this: I thought of some such proposition myself. For example, they could easily secure wage statistics from the railroads. Now, the peculiar methods of payment adopted by the railroads make it a most perplexing problem to get any presentation of their wage statistics which will make them comparable to other industries. The working out of this question is an extremely difficult problem and requires some one with very complete knowledge of other industries. It would not pay them, and would be entirely foreign to their work, to develop such an expert division there, and I have thought sometimes of seeing if they could not gather the statistics on forms that we would suggest and turn them over to us.

Mr. STONE. You see if those statistics were to be published once a year, or once in ten years, perhaps it would be more or less practicable, but for the constant flow of statistics, or monthly returns, it seems to me that it would not be feasible. It could be done much better if that entire division having charge of the compilation were transferred bodily over there, because these traffic statistics are far more germane to the work of the Interstate Commerce Commission than those cited by you, the wages, which do not concern them in any way.

Now, assuming that the Interstate Commerce Commission is out of the question and that these statistics have to be handled in this Department, I believe that there would be some advantage in transferring them to the Census Office under certain conditions. The chief advantage that in my judgment would accrue would be that the Census is more likely to obtain the authority from Congress for demanding such returns from the shippers and the transportation companies than the Bureau of Statistics is. It comes down to the relative standing and position of the two bureaus before Congress. Congress would naturally be reluctant to give this additional authority for compelling the transportation companies to furnish statistical returns.

The CHAIRMAN. You touch once in a while on the psychological attitude that Congress might assume toward the respective bureaus. I think we ought to eliminate all that. I assume that Congress will give to a small bureau exactly what its needs demand, just as it will to a large bureau; and I wish you would direct your argument along that line.

Mr. STONE. Very well. Then that argument falls to the ground. Now, the question arises whether under the present laws the Census could do more than the Bureau of Statistics. The people at large know that the Census has the power to procure these data, and perhaps from that point of view they would be in better position to get it than the Bureau of Statistics.

Now, if the work of the Internal Commerce Division is to be made really valuable and effective, it undoubtedly will have to be enlarged and more money will have to be spent on it. And here, again, I come to the same point—that the Census is a larger bureau, has more money at its disposal, and has more men at its command than it probably could transfer from time to time when there is a rush of work than the Bureau of Statistics has.

The CHAIRMAN. Do you believe, Mr. Stone, that in the Government of the United States, or, so far as you are acquainted, in the government of any foreign country, there is as much statistical information of general and universal value turned out for the same amount of money as there is in the Bureau of Statistics?

Mr. STONE. I could not answer that except as a general impression.

The CHAIRMAN. Well, as a general impression, what would you say?

Mr. STONE. I think it is doing it as economically and turning out as much as probably any other Government bureau.

The CHAIRMAN. Don't you think it is more economical than any other statistical bureau of the United States?

Mr. STONE. I do not know that I could answer the question.

The CHAIRMAN. Don't you think it is more economical than any statistical bureau of a foreign government, so far as you know?

Mr. STONE. I could not answer that either. I think I can answer without hesitation that it is run on a very economical basis, that there is no waste there so far as I can detect, and that it is run in an efficient manner.

The CHAIRMAN. I am directing my attention now to the cost of collecting and tabulating the statistics, not the printing.

Mr. STONE. I understand; but I do not know that I have any exact data on which to base a statement. I do not believe I would be competent to answer that question, because I have not looked into that.

The CHAIRMAN. What appropriation has the Internal Commerce Division?

Mr. AUSTIN. Four thousand dollars.

Professor WILLIS. Have you finished your statement, Mr. Stone?

Mr. STONE. Just one thing more, and I will be through. I believe that the Internal Commerce Division has to be strengthened and enlarged—strengthened in its personnel, quantitatively rather than qualitatively—and I believe that from that point of view the Census, just because it does not need any strengthening on that head, is probably in a better position to retain a good man than the Bureau of Statistics. In the first place it pays larger salaries, and in the second

place each man at the head of a division in the Census gets full recognition for his work. I believe a man in the position of Mr. Powers, for instance, or Mr. Steuart, in the Census Office, has more of an opportunity to build up a reputation and be known to the people at large than a man in charge of a small division in the Bureau of Statistics. These are facts, and I believe that is the reason why the Census is in much better position both to get a good man and to retain him when they get him than the Bureau of Statistics. I have in mind a few cases where the Bureau of Statistics has been unable to retain very good men just for this reason, that it can not offer them as good a compensation as the Census, for instance, could. We know what the salaries are, and the comparative standing of the men. I say the men get far more credit for their work in the Census Office. The chief of a division in the Census Office stands much higher in the official hierarchy than the chief of a division in the Bureau of Statistics. In fact, people do not know of a chief of division in the Bureau of Statistics. In the eyes of the law he is simply a clerk getting perhaps a higher salary. A chief of division is simply the creation of Mr. Austin, who I may say is very glad to give recognition; but that is as far as he can go. He could not give him a high salary if he wished to, or I assume he could not.

Doctor NEILL. Mr. Stone, there are four divisions in the Census—are there not?

Mr. STONE. Practically; yes.

The CHAIRMAN. Five of them.

Mr. STONE. Yes.

Doctor NEILL. Those are very large divisions. Now, if work of that kind were transferred to the Census, would not these be subdivisions of those large divisions? They would not likely make them separate divisions; and do the men in those positions get that recognition and that salary?

Mr. STONE. I am very glad you asked me that question, because that is one of the conditions under which I would be in favor of transfer to the Census Office. I believe that the Division of Internal Commerce is of such importance that unless the Census people have the purpose to make it a separate division and build it up to something very large, as it ought to be, I would not be in favor of its transfer. I would not be in favor of its being transferred there or lost, say, in Mr. Steuart's division or in any other division, because the chief of that division were simply reduced to the position of clerk, subject to Mr. Steuart or any other chief of division in the Census Bureau, I do not believe that the division would ever be built up. I believe—if I may be permitted to take issue with what Mr. Steuart said here the other day—that it would be decidedly detrimental to the work of the division if its work were to be intrusted to the Census Bureau to a man who looks at it from the purely census point of view. What that is I need not dwell upon, because you have all heard Mr. Steuart's opinion. He thought those statistics could be compiled just as well once a year, if not once in ten years. If we are to have that sort of statistics and are all agreed that that would be sufficient, why, yes, it would be great economy to transfer it to the Census and have it lost there.

The CHAIRMAN. What do you think of establishing a division called the "Division of Commercial Statistics" in the Census Office?

Mr. STONE. To take in all of these statistics?

The CHAIRMAN. Yes.

Mr. STONE. I believe it would be impracticable, for the reason, as I have tried to point out, that the Bureau of Statistics to-day has different kinds of work which should be treated in a different way. In their own small field they have managed to divide the work into distinct divisions and place them in charge of separate men, who try to do the best they can with the limited means placed at their disposal. Now, even with the limitations as they are, the work will be done much better if it is left where it is than if it is lost in one of the large divisions of the Census Bureau, where they look at these statistics from an entirely different point of view, and think that they could be compiled once a year or once in five years or once in ten years. I believe that the commercial statistics are of an entirely different kind from the manufacturing statistics, and have to be compiled with greater frequency. Even from the point of view of the manufacturer himself, it is well to have the commercial returns made once a month, so that he can see the ebb and flow of industrial life and be able to judge of the general conditions of the market. It would not be practicable to have monthly statistics or even annual statistics of industries, because they are more complicated, they are more difficult to get—because the manufacturer will object to giving away his facts—and it is more trouble. But commercial statistics are comparatively easy to measure and much easier to get returns for. And, as I say, commerce, being, after all, but a reflection of the general industrial conditions—because the moment industry shuts down commerce naturally declines also—is a first-class barometer of the general industrial as well as commercial conditions. So that all the people are interested in it, no matter whether they are merchants, or manufacturers, or wage-workers, or bankers, or merely students of these problems, not to speak of the fact that when it comes to the commercial statistics, properly speaking—that is, statistics of imports and exports—the Government has to have it because Congress will demand it, because it is a part of the fiscal returns.

Professor WILLIS. As I understand you, then, your reasons for transferring this internal-commerce work, which is all that we have before us now, to the Census Bureau are quite different from those of Mr. Steuart?

Mr. STONE. Entirely different. In other words, my reason for transferring the Division of Internal Commerce to the Census Office would be because I would hope that they would spend a great deal more money on it than they are spending to-day in the Bureau of Statistics. Mr. Steuart's intention, as I understood it, was to effect economy. If it is to be done for economy, then I am entirely opposed to it.

Professor WILLIS. Then, if the internal-commerce work could be properly put on its feet and enlarged where it is now, you would not be in favor of its transfer—that is to say, if it could be carried on under proper conditions, with the right amount of money, and with due authority to go and get the statistics, you would favor its retention where it is?

Mr. STONE. I would not say I would necessarily favor it, but I should say there would be no particular advantage in transferring it to the Census.

Professor WILLIS. Would there be any advantage?

Mr. STONE. None that I know of. My reason for transferring it that I think the Census can build it up; that it has the money, can pay better salaries to its men, and can give them credit. If it cannot, the division ought not to go there; or if the Bureau of Statistics can do the same, the division ought not to go. I am taking conditions as they are. If the Bureau of Statistics can build up the work, would say certainly the work should remain there. The fact is that they have not done it up to this time, and the Census has shown inability, for one reason or another, to do it.

Professor WILLIS. You are speaking now entirely from an empirical standpoint. The Census Bureau has indicated here, has not, that it does not want to build up these statistics, but does want to curtail them?

Mr. STONE. I understand that to be the attitude of Mr. Steuart. Whether Mr. North shares those views or not, I do not know. I said if the Census Office is to adopt Mr. Steuart's views, then I believe it would be very unfortunate for the internal-commerce statistics to be transferred to that Bureau—unfortunate for that division.

Professor WILLIS. There are one or two other points. I think you used the word "can" with reference to this matter of giving credit. There is no reason why full credit should not be given now in the Bureau of Statistics, is there?

Mr. STONE. Not that I know of. But whenever any publication issued from the Census Office it will have the name of the Director of the Census on top, and it will also have the name of the author who is responsible for the work. This is not done in the Bureau of Statistics.

Professor WILLIS. Can it be done?

Mr. STONE. I do not know; but it has not been done thus far.

Mr. AUSTIN. It certainly can. It is a mere matter of administration, and one in which I have favored that plan.

Mr. STONE. Then there is the question of salary. The Census cannot pay and does pay to-day higher salaries to its chiefs of division than the Bureau of Statistics does.

Professor WILLIS. Does not your argument assume what I think was mentioned here by some one else, that this Division of Internal Commerce would be put on a par with the existing five divisions of the Census, which necessarily have a very much larger field of work and a much larger number of clerks?

Mr. STONE. Well, I think it ought to be much larger. I do not know how many clerks Mr. Jacobson could use, but I am sure it could be made at least as large as the Compilation Division is to-day in the Bureau of Statistics.

The CHAIRMAN. Don't you remember the testimony of Mr. Jacobson? He says he has a man and a half.

Mr. STONE. He is using now a man and a half.

Professor WILLIS. Your argument assumes that it would be placed on a par with the other divisions?

Mr. STONE. I do not assume; I say if it is going to be done that way.

Professor WILLIS. You have mentioned two reasons why the division should be transferred—one, that credit is given to the author.

in the Census Bureau, but is not given in the Bureau of Statistics; the other, that larger salaries are paid to the chiefs of division. Now, I ask, does not that assume that this internal-commerce work when transferred to the Census Office would be placed on a par with the other five divisions there?

Mr. STONE. I am not assuming. I said that if that division is to be put on a par with the other divisions of the Census Office then I am in favor of the transfer. If it is to be swallowed up in one of the existing divisions I think it would be unfortunate for the statistics. It would not affect so badly the Compilation Division, for the reason I mentioned, that the work is largely mechanical and needs no building up. I can say there would be room for a man with special economic training at the head of it, say at the time of the next revision of the tariff, when the schedules will have to be recast, and the statistical schedules as well. It would be well then to have at the head of it a man thoroughly conversant with all these subjects. But to-day, and for the next few years—I do not know how long it will be until the next tariff revision—the Compilation Division can get along as well as it does to-day, and it would not make much of a difference whether it was swallowed up in one of those divisions or not.

Professor WILLIS. If I understood your very appreciative remarks a while ago, you would not advocate any change in the head of the internal-commerce work at the present time?

Mr. STONE. Not unless they could improve upon him. I do not think there is any need for improvement, so far as I can judge.

Professor WILLIS. Then, if you had the same man in the Census Bureau, would he not do the same kind of work as he does now, in so far as the appropriation permitted?

Mr. STONE. My assumption is that he would have at his disposal a larger staff, and would also, if not at once, then shortly, get the necessary authority for getting a larger amount of statistics.

Professor WILLIS. Then, if the Secretary of Commerce and Labor would give him that staff now, things would be in a perfectly satisfactory condition?

Mr. STONE. Yes—that is to say, there is no organic connection between the statistics of internal commerce and the Census. There is no connection at all except that both are statistics. There is no more organic connection between that and the Census than there is between it and the statistics, say, of the Comptroller's office.

Doctor NEILL. Mr. Stone, in a word, your argument amounts to this, that you think the appropriations could be increased under the Census more than they can under the present organization?

Mr. STONE. Yes; and even with the present appropriation the Census has more money to spare. Being a bigger office, it has more facilities at its command. And if, with these conditions present, the Census Office is willing to build up this work as an independent division—not to consolidate and economize, but really build it up—then, perhaps, it has greater facilities for doing that work than the Bureau of Statistics. But if it is not willing to build it up, then I think it would be much better to let it remain where it is to-day.

Doctor NEILL. You referred to the question of salaries a moment ago. What are the salaries now being paid in the Bureau of Statistics?

Mr. STONE. The salary of the chief of that division is \$2,100.

Doctor NEILL. What is the highest salary paid in the Bureau, Mr. Austin?

Mr. AUSTIN. That is the highest.

Doctor NEILL. How many men have you at \$2,100?

Mr. AUSTIN. One.

Doctor NEILL. What are the salaries?

Mr. AUSTIN. The next below that is \$2,000—statistical clerk, he is called; and next below that are several \$1,800 men.

Doctor NEILL. As a matter of fact, do you know whether the Census is paying any higher salaries than that?

Mr. STONE. It pays \$3,000 to its chiefs of divisions.

Doctor NEILL. What does it pay the next man?

Mr. STONE. I know of one who gets \$2,000. I do not know whether they have any \$2,500 positions or not.

Doctor NEILL. Then, as a matter of fact, at the present time, the Bureau of Statistics is paying higher salaries than the Census. In the case of this transfer you assume that the Chief of the Bureau of Statistics would be given the position of chief of division, do you?

Mr. STONE. No; I do not assume that, because, as I say, I do not treat the Bureau of Statistics as a unit. In the Bureau of Statistics there are three units, and I am taking up each unit by itself. I am not speaking to-day about the Chief of the Bureau of Statistics. He might be made Director of the Census. I do not know what they are going to do. I am not considering the personal element at all. I am simply considering what is to be done with each division. I am assuming that the Chief of the Bureau of Statistics to-day would not become Chief of the Internal Commerce Division nor Chief of the Compilation Division. I know that in this Internal Commerce Division Mr. Jacobson has had two, and I might say three, predecessors. Two of them were men of very high scientific attainments, men who were university graduates, and have a wide reputation as economists and statisticians. Neither of them could be retained by the Bureau of Statistics for the reason that neither the salary nor the recognition was a sufficient allurements to keep them.

Professor WILLIS. Is it not a little remarkable that the Bureau of Statistics succeeded in getting three different men of high scientific attainments?

Mr. STONE. I think that is due to Mr. Austin's happy faculty of finding good men.

Professor WILLIS. He would not be able to exercise that faculty if this transfer were made and he were to lose his position as Chief of the Bureau.

Mr. STONE. I am not speaking of that. I am speaking of the fact that he is hampered by reason of not being able to retain his men. Now, I say that if a man in the same position were in the Census, drawing a salary of \$3,000 instead of \$2,100, and being able to build up a reputation by his work, just because his name does appear and attract the attention of other people, it is conceivable that they might be able to retain them for a longer period than Mr. Austin has been able to do in the Bureau of Statistics. However, I am speaking of all these things not as arguments why this Bureau should be transferred, but simply from the point of view of the possible advantages of a transfer.

Professor WILLIS. In this connection it might be worth while to note what Mr. Rossiter said in his testimony. He said:

As I remember, a compilation of the positions of importance in the Bureau of Statistics and the Bureau of Census, the proportion of employees having a compensation exceeding \$1,200 in the Bureau of the Census is about 7 per cent of the entire clerical force. In the Bureau of Statistics it exceeds 50 per cent.

Mr. STONE. That has no bearing on what I have said. I was not speaking about the compensation of the men doing purely clerical work. I was speaking of the men who are doing brain work, and who have to do the planning of the division. I do not know that it would make much difference if any man who is doing the tabulating to-day left the office and was replaced by another. I do not wish it to be understood that I do not favor as liberal compensation for any man's work as is just; but I was speaking from an entirely different point of view, and it seems to me that Mr. Rossiter's evidence bears on another point.

Professor WILLIS. He speaks of the positions of importance. I do not know what he included under that head.

Mr. STONE. I did not know that they had men of very great importance at \$1,200. Perhaps, when they take the census enumeration they get a great many men who are just out of college and come in for the experience. Such men might be willing to come in at \$1,200. But I do not believe they could keep men at that rate all the time.

Now I come to the Statistical Abstract of the United States. From the comparative table which I submitted here to-day of the German and American statistical abstracts it will be apparent that there is some room for improvement in covering other subjects than those covered to-day. However, that matter has been touched upon before. I do not know whether Mr. Jacobson's suggestion of having a joint committee for getting it out will be accepted; but I think it would be a very good idea. But if it is to be published, as heretofore, by one single bureau, I think the Census is probably a more proper bureau for it than the Bureau of Statistics, for the reason that it handles a much wider range of statistical subjects than does the Bureau of Statistics. This probably may account for the fact that over one-half of the total space of the Statistical Abstract is devoted to commercial statistics. I am not using it as a reproach to the Chief of the Bureau of Statistics, because it is perfectly natural for every one of us who is working constantly on one subject to exaggerate the importance of that subject—that is, to confine his attention more to that. Now, because in the Census Office they have a great variety of subjects, it would be physically impossible there to exaggerate any one part as against another. Taking for granted that they will have the same kind of men there as here, I think they have better chances for turning out a better Statistical Abstract from that point of view.

That is all I have to say on this subject, unless you wish to ask some questions.

Mr. AUSTIN. What is your opinion as to the advisability of creating an interdepartmental committee to direct the compilation of the Statistical Abstract?

Mr. STONE. I think it is an excellent idea, provided you get a competent and responsible editor. I do not believe it would be quite a success without a responsible editor.

Doctor NEILL. I was just going to ask that same question. Does not what you say come to this, Mr. Stone, that you think it might be as well or better done by the Census, but you think that neither the Census nor the Bureau of Statistics nor any single office should be permitted to compile it?

Mr. STONE. Yes; I think it would be better under an interdepartmental committee.

Doctor NEILL. Don't you think that it is essential to the proper construction of it that there should be an interdepartmental committee?

Mr. STONE. I do not think it is absolutely necessary, but I think it would be the best way to do it, and I think if it were transferred to-day to the Census the chances are that the different subjects would get more recognition than they do to-day, simply on account of the physical organization of the Census Office—not because it has better men, but the Census Office, having such a wide range of statistics, can not in the nature of it exaggerate one branch as against the others. The Bureau of Statistics, being a one-sided affair, being just a bureau of commercial statistics, naturally has given more attention to that subject.

Doctor NEILL. This Statistical Abstract, as I understand it, should publish material with two purposes in view—first, it should give that information which is most frequently called for by the public, and, second, that information which is most frequently wanted by the student of this or that particular subject. Now, the person in charge of that Bureau knows in the first place more of the nature of the requests that come for information, and therefore what the public most desires; and in the second place, is supposed to know more about the subject and to know what is vital to the student of that subject. Who, therefore, is as competent to suggest what part of the statistics would be most valuable for the Abstract?

Mr. STONE. I fully agree with you.

Doctor NEILL. Of course, some one who had not this perfect knowledge of the work might put in some very trivial things and leave out some very vital things. The student picks it up and says, "I do not know why this wretched thing is here."

Mr. STONE. I do think it would be rather risky to have an interdepartmental committee without a responsible editor.

Doctor NEILL. He must be responsible; and a certain number of pages should be assigned to a man and he should be left to select which of his statistics are most important to the public.

Mr. STONE. And then have a trained statistician to put the whole subject together.

The CHAIRMAN. Of course, there should not be a hard and fast assignment of pages.

Doctor NEILL. Within certain limitations.

Mr. AUSTIN. If a general interdepartmental committee were created, which should assign to the various bureaus and divisions approximately the amount of space which they might occupy and ask them to select and prepare the material, still there would be certain information which is not departmental or governmental. Do not you think that under those circumstances the people who have been collecting that for years might still be advantageously left in

charge of handling the details under the direction of this interdepartmental committee, and continue to gather such nongovernmental information as they have been gathering in the past?

Mr. STONE. That is exactly the reason, Mr. Austin, why I consider it absolutely necessary, if there is such an interdepartmental committee, that a competent editor should be placed in charge and be responsible for getting it out—just because there are statistics that you can not get from governmental agencies. And when that is done, answering your next question as to which bureau would be most responsible, I think it would be then not so much a question of the bureau as of the man put in charge. The competent man may be to-day in the Bureau of Statistics or in the Census. I think that you will have to get a new man—not because either of those would not possess the qualifications, but because you will have to put a man entirely in charge of that work. And then if it comes to the question which of the bureaus is better to leave it in, I think that the Census Bureau would be a more proper bureau.

For instance, it will be necessary to get State statistics, municipal statistics, statistics of failures, and so forth. The Census Office to-day has established channels of communications with those different States, offices, and so forth. It has men who have been handling this wider range of subjects, and so I think it is in a more advantageous position to get all these facts and figures than the Bureau of Statistics is. As for the experience the Bureau has had, so far as my knowledge goes, this work is to-day in charge really of the chief clerk of the Bureau, who is not a man specially trained in statistics, and is done by a clerk who simply adds a new line for the last year and strikes off the top line so as to keep it within the same size; so I do not think there is any special advantage in that regard for the Bureau of Statistics. On the other hand, the Census has had a similar experience in compiling their Census abstract. However, I do not think that either of those considerations is important. The important consideration is the man; and then, having the man, I think the Census has more established channels of communication with the different departments outside of the governmental departments than the Bureau of Statistics.

The next is the Foreign Statistical Division, what Mr. Rubinow called the other day the "intelligence branch." I think he minimized the importance of his work by calling it that, because it is not only an intelligence branch. The other divisions of the Bureau of Statistics, as well as all other bureaus, answer questions, so the mere fact that he writes letters in reply to inquiries is not sufficient to call his division an intelligence branch, because that is by no means the most important part of his work. In addition to serving as an intelligence office, that division either writes or furnishes most of the statistical material for the so-called "blue sheets"—

Mr. AUSTIN. Oh, no.

Mr. STONE. If I am wrong, I shall be perfectly willing to be corrected.

Mr. AUSTIN. That is entirely a mistake. Not 10 per cent of the material for the so-called "blue sheets" is prepared by that division.

Mr. STONE. Then I will modify that and simply say that they furnish a good deal of the material for the blue sheets—perhaps most of

the blue sheets that deal with the question of foreign commerce, which depend on foreign statistical returns.

Mr. AUSTIN. By that you mean the international commerce?

Mr. STONE. International commerce; exactly. That division also has charge, if I am not mistaken, of the Statistical Abstract of the World.

Mr. AUSTIN. Yes.

Mr. STONE. It is called the Statistical Abstract of the World, although it gives only comparative statistics of commerce of the principal countries.

Mr. AUSTIN. At present.

Mr. STONE. Yes. Of course I do not know what it will do in the future. It has been published for the last three years or so, I believe; and at present it gives the comparative statistics of commerce of the principal countries.

That division has either written or furnished a great part of the statistical material for the monographs. The Bureau has published quite a large number of important monographs, such as the description of the coal trade, the iron and steel trade, the lumber trade, the great canals of the world, commercial Australia, commercial India, etc. Quite a large number of countries have been written up giving the commercial conditions in those countries. That is largely in charge of this Division of Foreign Statistics. That division also takes care of the library of the Bureau, because that library consists almost exclusively of the foreign statistical returns which come from different countries.

Now, none of this work has any organic or other connection with the Census, and I do not believe that any advantage would accrue from the transfer of that division to the Census Office. I could not even urge the consideration of economy, such as I thought might under certain conditions result if the Compilation Division was transferred. But, on the other hand, it does constitute part and parcel of the work of what is called to-day the "Bureau of Manufactures," and which ought to be called the "Bureau of Commerce." In the Bureau of Manufactures to-day we receive numerous inquiries of exactly the same kind that the Bureau of Statistics is receiving to-day, and so there is a good deal of duplication. In fact, I know that a great many people will sometimes write identically the same letter and address it to the two Bureaus, saying, "Well, I will get something from one and something from the other." Of course, some of the letters are referred from the Bureau of Statistics to our Bureau or from our Bureau to the Bureau of Statistics, but still there is a good deal of duplication. That could be done away with if that division was consolidated with the Bureau of Manufactures in one large Bureau of Commerce.

There are other reasons. The consular reports to-day are quite defective from a statistical point of view. They are frequently inaccurate in their statistical statements. It is quite natural, in view of the lack of statistical training on the part of our consuls. When the Consular Division was in the Bureau of Statistics the reports were always revised by the men who had charge of the foreign statistics, and they saw to it that there were no inaccuracies, no gross errors. To-day there is not a trained statistician in the Bureau of Manufac-

tures who is responsible for that part of the work. The result I need not refer to. I believe it is known among the members of this committee that in the Department they are deficient in that respect. That division therefore, I say, organically belongs to the Bureau of Manufactures or the Bureau of Commerce.

The CHAIRMAN. We can not establish a new bureau as easily as that, you know. Congress establishes them.

Mr. STONE. You may call it anything, for that matter.

The CHAIRMAN. You can not call it anything except what the statute calls it.

Mr. STONE. The reason I used the other name is to indicate why I think it belongs to the Bureau of Manufactures, because the Bureau of Manufactures is really a Bureau of Commerce.

Mr. AUSTIN. But it could hardly be divorced from our own Bureau of Commercial Statistics, could it? The bureau engaged in handling the statistics of our own foreign commerce could not spare that to the Bureau of Manufactures, could it?

Mr. STONE. That may be true. This is merely an argument why I think it would be advantageous to combine the Division of Foreign Commercial Statistics with the Bureau of Commerce. I believe that the two belong together.

Mr. AUSTIN. By "foreign commercial statistics" do you mean simply the statistics of other countries, or do you mean the statistics of our own and foreign countries?

Mr. STONE. No; I mean the Foreign Statistical Division. Naturally the question was not put here as to whether it would be a good idea to consolidate the Bureau of Statistics with the Bureau of Manufactures, and I will not go into that question. But when I speak of the Foreign Statistical Division—I believe we all understand what I refer to—I think, since you ask me that question, that the Bureau of Manufactures can less afford to go without it than the Bureau of Statistics. The Compilation Division of the Bureau of Statistics does not need it at all, whereas the Consular Division suffers to-day from the lack of that sort of a division.

Professor WILLIS. May I interpolate one question there? That, I think, is somewhat aside from the point the committee is discussing, and I should like to ask this: If no such transfer to the Bureau of Manufactures as at present organized can be made, you see no reason why this foreign compilation division should be transferred to the Census Bureau rather than be left where it is?

Mr. STONE. I see no reason at all for its transfer to the Census Bureau. I do not believe that the Census Bureau needs it, and I do not think it needs any connection with the Census Bureau. I do not believe that either part of the Government service would be benefited by a transfer.

The CHAIRMAN. Mr. Stone, whenever our legislators or our students of commerce, economists, etc., use foreign statistics, they almost always use them in connection or comparison with our domestic statistics. Therefore, I can not see the philosophy or the benefit to organization of divorcing our foreign statistics from our internal statistics, because they are always used in juxtaposition. Would it not be rather illogical to put the foreign statistics in one bureau and leave the internal statistics in another bureau?

Mr. STONE. Of course, I have not touched upon the other phase of the question. But what I do wish to say is that there is more of an organic connection in the work. For instance, if you were to take this Foreign Statistical Division from the Bureau of Statistics to-day, the Compilation Division or the statistics of our own commerce with foreign countries would in no way suffer on account of it. It gets along to-day without the assistance of the Statistical Division and could do so in future. On the other hand, the Consular Division to-day suffers from the lack of such a division, because it has not the people, it has not the library, it has not the facilities.

The CHAIRMAN. You might send the consular reports back to the Bureau of Statistics, then.

Mr. STONE. Either that or do the other way.

Professor WILLIS. I do not understand what you mean by "suffer." I understood you to say that some 10 per cent of these blue sheets are compiled in the Foreign Statistical Division. Now, those reports on blue sheets are of considerable interest and value, and deal very largely with foreign tariffs like the German tariff, for example, do they not?

Mr. STONE. They did while the Tariff Division was still there in the Bureau of Statistics. They do not to-day, so far as I know.

Mr. AUSTIN. We leave that chiefly to the Tariff Division of the Bureau of Manufactures.

Mr. STONE. However, those blue sheets dealing with foreign commerce could continue to be issued wherever the Foreign Statistical Division was transferred.

Professor WILLIS. Don't you think it is of importance that they should be written in close connection with the most recent figures of foreign commerce; and would they not suffer if they were to be divorced from those statistics?

Mr. STONE. Of course; the man who writes them could just as well consult the statistics as compiled in our Bureau of Statistics, no matter whether he was in that bureau or another bureau.

Professor WILLIS. And does not that same remark, which is very well taken, apply to the men who are now writing in the Bureau of Manufactures? That is to say, is not their suffering measured by riding on the street cars?

Mr. STONE. No; it is more than a ride. In the first place, we have not the men who have the necessary qualifications for the work. They are absolutely absent from the Bureau of Manufactures. In the second place, we have not the library; and it is more than a street-car ride, because for that work you have to consult the library continually, and you would simply have to take the men bodily and transfer them to the Bureau of Statistics, or bodily transfer the library of the Bureau of Statistics to the Bureau of Manufactures. The Bureau of Manufactures to-day is absolutely crippled (I use that word advisedly) by the absence of men with these qualifications.

Doctor NEILL. Mr. Chairman, I would like to make the point of order that we came here to discuss the proposed consolidation of the Bureau of Statistics with the Bureau of the Census. We are getting away from that discussion and we are lumbering the record. While this is important, I do not think it is important to consider at this time. So that if I may suggest, with all courtesy, I think we ought

to hold ourselves rather closely to this particular question, which we are called upon to consider, and not get into the wider field of combination with the Bureau of Manufactures and the results that now flow from not having such a combination.

The CHAIRMAN. Can you direct your argument to the particular question at issue, Mr. Stone, and postpone the other for the present?

Mr. STONE. I can simply close there, Mr. Chairman, for the reason that I have enumerated the conditions under which I thought we might discuss the advisability of a consolidation with the Census. I purposely for that reason left the Foreign Statistical Division to the end, because I could simply answer the question in the negative—that I did not see any advantage in it at all.

The CHAIRMAN. And you consider that it has more of an organic connection with the Bureau of Manufactures than with any other bureau?

Mr. STONE. Yes, sir. I also wanted to say, in connection with the Statistical Abstract of the World—that also perhaps would not be germane—that that would naturally come under such an enlarged Bureau of Commerce, because it could very well constitute a second volume of our Commercial Relations that are published to-day by the Bureau of Manufactures. In the same way it would meet the deficiency from a statistical point of view, because there is no statistician to handle them. They used to be handled by the Bureau of Statistics, and, I think, in a much better way, simply because it was a statistical bureau.

Mr. AUSTIN. With regard to the transfer of the library, if that were seriously considered, I should want to say that I think it would be physically impossible for the Bureau of Statistics to get along without the library and all of the data on foreign commerce that it has there now.

Mr. STONE. I should say that the Bureau of Statistics, as it is organized to-day, could not get along without a library; but the Compilation Division and the Internal Commerce Division do not use the library at all. It is really used by the Foreign Statistical Division. Now, if you were to ask me the question, do I think that a consolidation of the Bureau of Statistics as a whole and the Bureau of Manufactures as a whole into one bureau would be a better thing, I should say yes, and decidedly better than with the Bureau of the Census; but taking up one division at a time, I have expressed my views just as I had them.

Thereupon, at 11.20 o'clock a. m., the committee adjourned until tomorrow, Tuesday, October 15, 1907, at 9.30 o'clock a. m.

FIFTH DAY.

Tuesday, October 15, 1907.

The committee met at 9.30 o'clock a. m. in the office of the Assistant Secretary of Commerce and Labor.

Present: Messrs. Murray (chairman), North, Neill, Austin, and Willis.

STATEMENT OF DR. E. DANA DURAND,*Deputy Commissioner of Corporations.*

The CHAIRMAN. Doctor Durand, please give your name, your present position, and the experience which you have had in statistical and economic work.

Doctor DURAND. E. Dana Durand, Deputy Commissioner of Corporations. I have had a general university training in economics, particularly in Cornell University, at which I studied, aside from general economic questions, the subject of statistical methods and the analysis of statistics, with Professor Wilcox. I was then employed for some time in the State library at Albany in editing publications regarding the current legislation of the various States. Thereafter I was assistant professor at Stanford University, teaching the sciences of finance and of political institutions chiefly. From there I came to Washington as editor of the reports of the Industrial Commission, shortly after becoming secretary of that Commission. The work there was not so much statistical as in the nature of economic investigations. There was in that work quite a good deal of investigations. After that I taught for a year at Harvard University on labor questions and corporate questions. I then came to the Census Bureau, where I was in charge of their investigation of street railways, and edited and largely wrote the report on the statistics of street railways covering the year 1902. At the time when the Bureau of Corporations was organized, or very shortly thereafter, I became a special examiner in the Bureau and was in that position until last March, when I was appointed Deputy Commissioner.

The CHAIRMAN. You are familiar, are you, to a greater or less degree, with the general organization of the Census Office?

Doctor DURAND. I am.

The CHAIRMAN. Are you also familiar in about the same degree with the organization and work of the Bureau of Statistics?

Doctor DURAND. In nearly the same degree—practically the same degree.

The CHAIRMAN. From your knowledge of the organization and work of these two bureaus, do you believe that it would be practicable and wise to consolidate the Bureau of Statistics with the Bureau of the Census?

Doctor DURAND. On the whole, I do not think it would be wise to consolidate the Bureau of Statistics with the Census Bureau. Of course, I am aware that there are a number of quite cogent arguments in favor of such a consolidation. Those have doubtless been presented to you, and I do not need to rehearse them, though I should like to comment on one or two of them that have come to my attention from conversation with other people.

One suggestion, I understand, in favor of such consolidation is that whereby the investigation of internal commerce, which is now conducted by the Bureau of Statistics, might be conducted by the exercise of at least a certain degree of compulsory power which is not now possessed by the Bureau of Statistics, but which is covered by the authority of the Census. As to that point, my impression is that the Census's compulsory power is not strong enough and clear enough to effectively compel the presentation of statistics by those who are

averse to presenting them, although undoubtedly it is much greater than that of the Bureau of Statistics. The question arises whether some more compulsory power could not be conferred upon either the Bureau of Statistics or whatever organization should hereafter take charge of the internal-commerce statistics, which would give it at least as effective ability to get information as the Census possesses. I may say in anticipation that I have some suggestions to make, if they are pertinent, with regard to the relation between the work of the Bureau of Statistics on internal commerce and the work of the Interstate Commerce Commission or of other branches of the departmental service.

The second argument which I have heard mentioned in favor of the proposed consolidation is that it would secure a greater degree of harmony in the presentation of statistics, avoid duplication, and secure uniformity in treatment. It seems to me that harmony between the different statistical departments of the Government service is very important, but that it can largely be secured by consultation, by joint committees, by the centralizing hand of the Secretary, or in some such way, without necessarily putting all of the authority over the statistical work into a single hand.

Coming now to what seemed to me rather significant positive arguments against such consolidation, it is, I think, pretty well recognized now that statistics is not a science in itself; that you can not speak of statistics as a whole, as some one thing which properly and necessarily belongs to one organization to obtain and present, or to one person or a group of persons to study and analyze. Statistics, as I conceive it, is simply one method of presenting facts, usually economic facts or social facts, and the facts presented in the figures called statistics are in their essence no different from facts which can not be presented in statistics, but which are otherwise useful for the purposes of the science or of the administration of government. Statistics is simply a method of presenting facts by means of figures and is not a science in itself but an aid to various sciences or various branches of administration. Almost every branch of the Government service needs for its information certain facts on which to act. Some of those facts are in the form of figures, and others are not; and the consequence is that almost every administrative bureau in the Government does itself use, and in many cases does itself collect for its use, certain sets of figures or statistics which belong to it very clearly and do not belong to any other Department of the Government. The internal-revenue division, for instance, of the Treasury Department has necessarily and naturally the statistics of the production and the taxation of those commodities which are taxed by internal-revenue laws, and the Comptroller of the Currency has necessarily and naturally statistics of banks, etc.

If this is the case, it seems to me that the argument is pretty strong that statistics ought to be handled, as far as possible, by bureaus or divisions of the Government service which are specialized to handle that particular class of statistics. There ought to be, as far as possible, specialization rather than unification of statistical work. Of course, I do not mean by this that there should not be the most complete harmony, so as to prevent duplication, etc.; but specialization is the natural means of getting the best results. Just exactly as

we specialize the administration of certain functions of the Government, so as to get the greatest concentration of energy and the greatest interest on the part of the administrative officers, so it seems to me we should specialize the handling of statistics.

As I look upon the actual statistical work that is done by the Government as a whole, it seems to me there are two broad classes that can be distinguished. One consists of statistics that are collected chiefly for general public information, and, which, while useful incidentally to the administration of the Government, are not secured particularly for the purpose of some special branch of administration. Census statistics of population, vital statistics, and a number of other classes of statistics that are handled by the Census are of that sort.

Aside from these there is another great class of statistics which are obtained largely for the purpose of facilitating the administration of some branch of the Government; and where that is the case, it is usually, it seems to me, though not perhaps invariably, true that the collection of those statistics, as well as the interpretation of them, ought to be in the hands of that Department or branch of the Government which has the administration of that particular function. For example, as I suggested a moment ago, the Comptroller of the Currency, having the supervision of the banks, seeing that they live within the law and supervising their work generally, seems to be the natural person to collect statistics of banks.

The reason I mention this classification is because I shall suggest later that the Bureau of Statistics, perhaps in conjunction with some other of the existing bureaus, has an administrative function, or can be given at least an administrative function, to perform aside from the mere collection of figures for general information, and that so far as that is the case, so far as it has some activity to perform aside from the collection of statistics, the collection of those statistics which are related to that activity would naturally belong with such a bureau and not with some separate organization whose sole purpose is the collection of statistics without any administration of a function or a branch of the Government.

With further reference to the subject of specialization in statistics, it seems to me very clear that in order that the best use shall be made of statistics, whether they are intended for the benefit primarily of the general public or intended to aid an administrative officer, the statistics should be analyzed very carefully and thoroughly by men who have specially studied the particular class of statistics in question and who have become familiar not merely with those figures, but with all the things which are back of the figures—with the conditions of that particular branch of industry, or of commerce, or of social life, or of economics, which the figures bear upon; in other words, that the person in charge of the final handling of any given set of statistics ought to be a specialist as far as possible with regard to that class of statistics. And that is not merely true of the men at the very top of the work on any particular subject, but also of his chief subordinates who assist in compiling the statistics, in planning the collection of them, and in interpreting them, and to a considerable extent even of the lower class of employees who are working on them; they need to have special familiarity with that class of statistics and to acquire a special aptitude for handling them. That is notably true

where the collection of statistics involves field work. The agent who collects statistics on a given subject in the field ought to be a specialist regarding that branch of industry or economic life to which the statistics relate. He ought to understand it—not necessarily understand that alone, but understand that subject so thoroughly that his work will take on a peculiar personal quality which can not be obtained where the work is done by a man who simply treats that branch of statistics like every other and is familiar only with the mechanical methods of getting figures together.

Now, it seems to me that the danger of transferring this work to the Census Bureau would be the possible—in fact, rather probable—lack of sufficient specialization. It may be, to be sure, that the person at the head of the work on commercial statistics, which is the primary function of the Bureau of Statistics, would be a specialist; that he would do that and that alone. But even then there would be some danger that sooner or later this would cease to be the case because of the multiplicity of functions which the Census Bureau possesses. It has come about, as you know, that certain chiefs of divisions in the Census Bureau have had to cover subjects which are in absolutely no relation to one another, such as a single man covering an investigation of agriculture and afterwards one of wealth, debt, and taxation. I do not want to be understood as criticising the present administration of the Census Bureau in that respect. It is an almost inevitable result of the fact that many subjects are put into the hands of one organization which can not have permanently a number of chiefs of division corresponding exactly to that number of subjects.

The suggestion I make is simply that if the work of the Bureau of Statistics were transferred to the Census, the danger would exist that sooner or later it would cease to be in the hands of a man who was strictly a specialist on the subject of commercial statistics, and might be put in charge of a man who gave that only part of his time; or, on the other hand, the man in charge of it might be switched over to give part of his time to other things. That seems to me the danger of attempting to do in one bureau work on a large number of subjects—that there will not be adequate specialization; that there will be an attempt to save time and expense by switching not only the headman, but also the field force and the clerical force, from one investigation to another, so as to keep the force busy—a result which may economize money perhaps, but which, I am inclined to think, is likely to so injure the results that the money saving is of much less importance.

Of course, the reply might be made that that is not an inherently necessary result of putting the work of the Bureau of Statistics into the Census Bureau; that it is merely a question of internal administration; that the Census Bureau can be so organized into divisions that adequate specialization within those divisions shall be secured. But certainly the pressure to neglect centralization on account of the desire to economize will be very strong.

Besides the danger of this pressure to secure cheaper handling of statistics by disregarding specialization, it seems to me it should be borne in mind that the head of a bureau is on the whole recognized as having a more responsible and more honorable position than the head of a division in another bureau, and that in order to get the

personal enthusiasm and interest in the work of administration of any important branch of the Government service, you will probably do better to give the man in charge the responsibility and the honor which go with the position of a bureau chief rather than to subordinate him. Of course, that is partly a matter of mere opinion on the part of Government employees and the people outside. Actually a chief of division may be given just as much individual responsibility as a bureau chief.

Mr. NORTH. You would not have anything but bureaus if you followed that plan entirely.

Doctor DURAND. Yes; it could be carried too far. I recognize that perfectly. It would be conceivable that for the purpose of getting this individual responsibility and individual pride in work you might go so far as to destroy any unity; but it seems to me that a happy medium can be struck between the one thing of subordinating everything to a single bureau or a small number of bureaus and the other thing of having too great a separation. And personally I am inclined to think that here is one case where the advantage of unifying the work would be very largely offset and probably more than offset by the disadvantage of that decreased responsibility.

That, as I say, is a kind of "personal-equation" matter which is pretty hard to put into words and which appeals to different people necessarily in different measure. But it seems to me that just so far as efficient administration can be secured without consolidating things you ought not to consolidate on account of the personal interest and enthusiasm which a man has for a position where he has a greater degree of responsibility.

The CHAIRMAN. Don't you think that is the weakest argument you have made so far?

Doctor DURAND. No, sir. I think that while it is hard to express in words it is really a very strong argument. I do not think it applies with any more force to this particular case than it would to a great number of other cases. I do not mean to say that it is because it is the Census Bureau and the Bureau of Statistics which we are discussing that I present that argument.

The CHAIRMAN. I understand that.

Doctor DURAND. It is on the general principle that, as it seems to me, there ought not to be too great consolidation on account of that personal element of the interest and responsibility which a man feels for the work which is his.

Mr. NORTH. Do you think there are any instances in the Government service to-day of greater enthusiasm in their work than can be instanced by the 4 chief statisticians now in the service of the Census Office?

Doctor NEILL. That is hardly a fair question, Mr. Chairman.

Doctor DURAND. Yes; that would involve, it seems to me, an expression of my opinion as to the actual work of different men.

Mr. NORTH. I will take it back, then, and will simply say in answer to your argument that there are not anywhere to be found in the whole Government service 4 men who are more enthusiastic in their work and more successful in their results than the 4 chief statisticians of the Census Office. I do not put it as a question; I make it as a statement.

Doctor DURAND. I think that might readily be true with 4, but if he number were increased to 14, for instance—

Mr. NORTH. Suppose it were increased to 5?

Doctor DURAND. I say that that element would tend to become weakened. I am discussing the matter on general principles. Whether in the case of the Census Bureau, on account of the personality of the Director or on account of the personality of the men you happen to have there, that difficulty can be avoided, I am not in a position to say. I do not know enough about those particular acts; but on general principles, and applying the argument to other cases, I should be averse to too much concentration on that personal round, which I think is really very important.

The CHAIRMAN. Doctor Durand, let me ask a question. In your own Bureau of Corporations you are directing say six or eight great industrial investigations. They are in charge of competent men; they are being ably handled, and not one of the men at the head of one of those investigations is even a chief of a division.

Doctor DURAND. No; nor does he get any such distinct recognition of his work as he would in the Census Bureau.

The CHAIRMAN. It is not known on the outside who the men are?

Doctor DURAND. That is very true.

The CHAIRMAN. Now, you would not argue from that that the men were not giving their very best energy and brain power to the work simply because they were not chiefs of divisions, would you?

Doctor NEILL. Mr. Chairman, I would like to put that question to Doctor Durand in such a way that it will not be personal; simply as a general question. With respect to the particular men you have now, some of whom I have reason to know are in the work because of the love of it—and you can not expect always to have that—let me ask you, as a general question: Do you believe that you would get as high a grade of man, as able a man, if he is going to be practically subordinate as if he is semi-independent?

Doctor DURAND. No; and I am perfectly willing to answer the question directly with relation to the Bureau of Corporations. It does seem to me that if the men in charge of the different divisions—practically they are divisions—of the Bureau of Corporations could be given a personal recognition of their work greater than is now being given, they would do better work. I confess that it may not be possible, on account of the peculiar nature of the work of the Bureau of Corporations, to bring their personality forward any more than is being done; but I do think that even the men we have now would work with greater enthusiasm and with greater success if that were true. And not only that, but (which is much more important) we have had to drag the country over to get men who are willing to come at the salaries which we are able to pay and under these conditions of lack of public knowledge of their work, and we have only been able to get a limited number. A great many that we have tried hard to get have refused to come and have put it on that very ground—that they were submerged in the Government service.

Mr. NORTH. Why can you not give them greater personal recognition?

Doctor DURAND. Well, we are planning already to give them a little more than has been given before, by means of the mention of

names in letters of transmittal to the Secretary. You may have noticed that was done in the last report that was issued. But the idea that anyone can be given as much credit, for instance, as you very properly give to your chiefs of division seems unsafe in view of the immense criticism to which the work of the Bureau is always subjected.

Mr. NORTH. I know that when you were yourself a special agent of the Census Office your work was given to the public under your own name—

Doctor DURAND. Yes.

Mr. NORTH (continuing). With every possible credit that you could have been entitled to, and nobody took one single atom of your credit away from you.

Doctor DURAND. I think there is one thing that ought to be said, in a way, in modification of what I have said about this general principle of personal responsibility. The Census Bureau has done more than almost any other Government Department that I know of to give personal credit for a man's work, and undoubtedly that is one reason why that enthusiasm which Mr. North claims for his Bureau exists. But, nevertheless, I can not help feeling that the greater the responsibility and the greater the individual credit that a man can get for his work, the better it will be, and that, however great the credit that is given in the Census Bureau to chiefs of divisions and others of that type, the credit of being the head of a bureau is even greater and will inspire a man with greater zeal to secure it.

Professor WILLIS. What you say is very interesting, Doctor Durand, and suggests to me a question apropos of a matter that was brought up very forcibly yesterday morning by Mr. Stone. He was speaking of this same question of credit and, if I remember correctly, presented that as one reason why the statistics of internal commerce would be better off if handled by the Census Bureau than they are now; that is, credit could be given for them.

Doctor DURAND. In other words, that you could break it up still more than it is now broken up?

Professor WILLIS. Yes. I want to ask if there is any reason why full credit can not be given?

Doctor DURAND. There is none, as far as I can see.

Professor WILLIS. If that were done, you think it would have the result that you speak of, increasing the pride in their work and increasing the probability of the retention of good men?

Doctor DURAND. I do. I think that wherever that can be done in the Government service it should be done, although I think it can be carried too far. I do not mean to say whether or not it is carried too far in the Census Bureau, but this is to be remembered, that while a man may write a report, he has back of him the whole organization of the bureau or of the Department for getting the material and aiding him in his work; he has the tradition of the previous work that has been done as a guide to his methods, and everything of that sort; so that a man ought not to feel that he is the sole author of practically anything that goes out from the Government service. While a man may properly be given due credit, and may even have his name on the title-page of a report, I do not conceive

that it is essential that he should be treated as the sole author of any report prepared under the direction of a superior officer.

Professor WILLIS. It is the natural desire of men who are scientifically trained, and whose reputation may be regarded as their capital, in the same way that an engineer wants to have his name on a bridge that he has built, or in the same way that the architect of the Congressional Library wants his name over the door. Is it not something of that kind?

Doctor DURAND. Yes.

Professor WILLIS. That is, it is a question of his scientific reputation and of his future standing? That is my understanding from what you said.

Doctor DURAND. Exactly. I think that a large part of the statistical work of the kind we are now discussing, and of the work of the Bureau of Corporations, and of the work of the Bureau of Labor, among others, is what you may properly call that of economic scientists. It is the kind of work they do in the universities and the results of which they study in the universities, and consequently the men who are working on it are scientists, economic and statistical scientists—or they ought to be. And beyond question, when you get to the scientific world, a man is bound to feel a desire for personal recognition greater than is felt, you might say, in the strictly business world. A man does not care particularly whether he is known to be the chief of a certain department of a department store or not. What he does care for there is the salary and the agreeable work and the direction of others.

In the scientific world a man's standing with his associates, with those whom he meets at the associations of scientists, depends on the knowledge on the part of his fellow-scientists that he does something worth while, that he does this and that actual thing. And if any of us, as may easily happen with a change of administration, are cast out into the world again, the possibility of earning a living may be decidedly affected by the knowledge which that scientific group of men have of the work a man has done in the past. And so far from the Bureau of Corporations being a good illustration of the unimportance of giving credit, while we have been fortunate enough to get, so far, men who, as I believe, are doing the best work possible without very much credit, I know that we have tried very hard to get other men and have failed, and that we have not got enough of the men who are capable of taking charge of investigations; we simply can not get them at the salaries and under the conditions that we are able to offer.

Professor WILLIS. As I understand now, Doctor Durand, you have covered the general question of transferring one Bureau to the other or consolidating the two?

Doctor DURAND. Yes.

Professor WILLIS. If so, there is one point there I want to ask about. You have spoken now chiefly of the question of efficiency in these statistics, and only incidentally on that of economy.

Doctor DURAND. Yes.

Professor WILLIS. I understood you to say that you thought one of the cogent reasons against the transfer was that, should it be made, there would be some danger of switching a statistical force in the Census on and off from this work. Is that correct?

Doctor DURAND. Yes.

Professor WILLIS. That was put forward the other day by one of the witnesses as a reason for the transfer; that is, a probability that the force could be shifted about in this way. He said that that would promote economy very materially. I should like to have your idea as to how far that would actually promote economy from the mere dollars-and-cents standpoint—whether there would be a material saving there in such transfers of the force.

Doctor DURAND. I should suppose that just so far as the pure addition and subtraction and tabulation were concerned there might be an economy; but with regard to any work which involves judgment, whether it be field work in the collection of statistics, or whether it be the planning of tables and the rather detailed but still more or less discretionary work of handling the statistics, I should say it would be a fair question whether it would be even a saving in dollars and cents, to say nothing of the possible injury in quality. Because it does take a man a good while to adapt himself to a new piece of work.

Professor WILLIS. That is to say, you would have to have nearly the same outlay in planning the statistics that you now have. You would save entirely on the side of compiling?

Doctor DURAND. Yes. And a very important thing could be said in regard to that in this particular connection, which is that the work which is now done by the Bureau of Statistics, and which would presumably continue to be done in the Census Bureau, is such as to require about the same force all the time anyway. It seems to me there is little occasion to shift men on and off from it. The general point I make—though I can not answer as to details because of lack of knowledge of just how the figures could be handled in the Census—is that the work of the Bureau of Statistics is a continuous flow, a steady stream of work all the time; that the Bureau does not make one year a special investigation involving a certain set of tables, and the next year another special investigation involving another set of tables. It may do that to a certain extent, but the great bulk of the figures it handles come in a steady flow, and would therefore require about the same force all the time; and if the same efficiency can be given to that force in the Bureau of Statistics as in the Bureau of Census (and it is hard to see why it could not be), I can not see any particular economy from the change.

Professor WILLIS. So that the saving, if any, would be a very minor one and one that would not make up for the losses in other directions?

Doctor DURAND. That depends upon the matter of statistical machines, which I do not know much about; but I can hardly see how electrical tabulating machines, for example, could be used on this work of the Bureau of Statistics. It may be possible; and if so, then the question would arise whether one of them could not be installed over there, instead of using the Census machines.

Professor WILLIS. Do you see any reason why it can not be installed?

Doctor DURAND. I do not know. That is beyond my experience.

Mr. AUSTIN. The statement was made by Mr. North a few days

ago that the cost of as many tabulating machines as would be required in the Bureau of Statistics would be a mere trifle.

Doctor DURAND. I want to repeat what I said before, for I think it is very important. I do think there is danger in shifting any except the purely clerical force in Census work, or in other statistical work, from one field to another. I think that even if there is an apparent saving in dollars and cents in putting a field agent, we will say, now on one subject and now on another entirely different subject, it is more than doubtful whether that saving is worth while in view of the loss of efficiency. I do not mean to say that that is always the case. There may be certain limits within which the work is so nearly similar that there would be no appreciable loss in efficiency from shifting; but where the work is distinctly different, where the man ought to have special knowledge of conditions and special familiarity with methods of handling the statistics, then it seems to me any shifting becomes dangerous to the efficiency of the work.

(At this point the question of the use of machines was discussed, after which the following statements by Messrs. North and Austin were ordered to be inserted in the record:

Mr. NORTH. I want to go on record as saying that the use of the machines in the work of the Bureau of Statistics is perfectly feasible and simple, and that it would greatly expedite the compilation of the statistics of imports and exports, and probably save 33½ per cent of the cost of the compilation, if not more; and I justify this statement on the experience had with the machine in a number of the greatest manufacturing and transportation companies of the United States in the handling of their freight and other accounts.

Mr. AUSTIN. I would say, in answer to that, that I should be very glad to have such an experiment made, and hope it will, if made, succeed in reducing time or expense.)

Doctor DURAND. It seems to me desirable, in considering the possibilities of improvement in the statistical work of the Department as a whole, to take up the functions which are now performed by the Bureau of Statistics and discuss in connection with them the functions performed by one or two other branches of the Government service and see whether any possible correlation could be established between them. And I would like to mention first one of the functions of the Bureau of Statistics which is what you might call fortuitous in the sense that it does not make any difference where it is put, namely, the publishing of the Statistical Abstract of the United States.

The Statistical Abstract of the United States is intended to be, at any rate, a general summary of all statistics published by the Federal Government, and including also some published by private sources. It is pretty clear that the Bureau of Statistics is not the only statistical bureau in the Government service, nor the only one in the Department of Commerce and Labor. Therefore it has no particular claim, by virtue merely of its title of Bureau of Statistics, to publish this Abstract, which relates to many classes of statistics not falling within the special field of that Bureau. Neither, on the other hand, has the Census Bureau such a claim, because the Abstract also

handles statistics which relate to things other than the Census. So that, in a way, it is a matter of arbitrary decision whether the Statistical Abstract of the United States shall be published by any one existing Bureau or another, or by some other method altogether than that which now exists.

Personally it seems to me that the only satisfactory treatment of the Statistical Abstract is to have a committee composed of the principal statisticians in this Department, and also in the other Government Departments, to decide what shall go into the Abstract, and to decide on its general form and method of treatment. Then the question as to who shall actually publish the Abstract, in the sense of handling the detailed work, is a matter of more or less arbitrary decision. It might just as well go to the Bureau of Statistics; it might perhaps be conducted by a special individual in the Secretary's office, for example, who is employed for the particular purpose of handling that one thing. But of one thing I am quite sure, and that is that it ought not to be left solely to the judgment—or practically so, as I understand it is, now—of any one Bureau, whether the Bureau of Statistics or the Bureau of the Census or any other, to determine what shall go into the Abstract or what shall be the general methods of handling the figures. I have previously prepared a rather extensive memorandum about this Statistical Abstract, making a good many suggestions, and there is no need of my going over them now. I see no objection to having the work done by the Bureau of Statistics, provided the consultation I speak of is properly attended to. But there ought to be as much authority on the part of the Census Bureau or the Statistical Bureau of the Department of Agriculture to determine what shall go into this Statistical Abstract as there is on the part of the Bureau of Statistics. The final arbiter might have to be the Secretary of Commerce and Labor, since this Department has more statistical work than any other.

The CHAIRMAN. We consider that, Doctor Durand, a very important question here.

Doctor DURAND. It is extremely important—the subject of the improvement of the Statistical Abstract. I think it ought to be very much improved.

Professor WILLIS. Your suggestion is to have an interbureau or interdepartmental committee?

Doctor DURAND. Yes.

Professor WILLIS. Do you consider it desirable to put an expert statistician in charge of this Abstract?

Doctor DURAND. I think it is desirable, for the reason that the committee, having agreed on certain classes of subjects to be covered, might say, "There are some statistics published by State authorities or private organizations which no one of our bureaus has any jurisdiction over, nor pretends to have, but which ought to be put in; and we, not being familiar with them particularly, can not decide in detail about them; therefore we want an expert statistician to do that."

Professor WILLIS. How many men would be necessary to do that?

Doctor DURAND. I think that one man, spending his whole time, could do absolutely all the work except proof reading and purely clerical work.

Professor WILLIS. Would there be enough for him?

Doctor DURAND. I am not entirely sure that there would be enough, and I do not know but that may be a reason for keeping it in some existing bureau.

Professor WILLIS. If you were going to keep it in an existing bureau, where would you keep it?

Doctor DURAND. I think in the Bureau of Statistics.

Professor WILLIS. You would simply, then, place it in charge of an interbureau or interdepartmental committee which would have general supervision of the contents of the book?

Doctor DURAND. I am not entirely sure but it might be a profitable scheme to have a single individual, with two or three clerks, in the Secretary's office.

Mr. NORTH. The year round?

Doctor DURAND. The year round; not for the purpose of simply editing the publication, but also to advise and assist the Secretary in securing that correlation between the different Departments which has been spoken of. But I have not considered that far enough to be able to make that as a definite suggestion. It did occur to me that perhaps a kind of statistical adjunct to the Secretary might be useful.

Professor WILLIS. At any rate, you are clear that the committee plan is the proper one?

Doctor DURAND. Absolutely essential, it seems to me; not merely to decide what shall go into the Abstract, but also how many years shall be covered and how the figures shall be presented so as to get in condensed form the really important information.

The CHAIRMAN. To give all the important statistics of all the Departments of the Government their due proportion?

Doctor DURAND. Exactly.

Professor WILLIS. Do you agree with the suggestion sometimes made that outside statisticians and persons interested in this kind of work should be consulted by such a committee?

Doctor DURAND. Very decidedly; not merely expert statisticians, but also, say, newspaper men, members of boards of trade, and people who use these statistical publications to find out what they consider useful. This document is prepared chiefly for the general public and not for the use of the Government itself, though it is very useful to the Government.

Mr. NORTH. Is not that done at present?

Doctor DURAND. I am sure I do not know, Mr. North.

Mr. NORTH. How about that, Mr. Austin?

Mr. AUSTIN. No. We obtain a great deal of this information from people outside, but as to consulting people outside as to what ought to go into it and asking their opinion as to any particular feature, that is not the custom. There may be cases in which we do write to somebody and ask a particular question, but it has not been the custom to consult in general terms with reference to it. It has been a matter of growth, and I quite agree with this general suggestion that it ought to be conducted under the joint wisdom of representatives of the various Departments. As to where it is to be published, I do not care. Of course, I should be glad to see it retained in the Bureau of Statistics, because of the pride which the Bureau, and especially certain of its employees who have been connected with the work, have in it. It is too big a subject to be narrowed down to the question of where the physical work shall be done.

Mr. NORTH. Is your opinion based on the belief that the Statistical Abstract, as it now exists, is susceptible of a marked improvement?

Doctor DURAND. Yes, sir. I think one might perhaps say that one reason for retaining it in the Bureau of Statistics, rather than putting it in the Bureau of the Census, is that if the Bureau of Statistics is to be retained as a separate organization, it seems to me desirable to keep its functions as large as possible and make it as important a bureau as possible, rather than in any way to reduce its importance. In other words, if we are going to have a bureau, let us have a real bureau that has a reasonably large field, rather than make it a small issue.

The next function of the Bureau of Statistics is that of handling the statistics of foreign commerce, and in connection with that the preparation of monographs and the publication of data and the furnishing of information regarding foreign commerce based not simply on our statistics, but on those of foreign countries. As I suggested before, it seems to me that one of the natural arrangements in governmental service is to have a given class of statistics as closely as possible associated with the administration of that branch of the Government which has to do with the subject to which the statistics relate; and consequently the question arises whether the handling of these statistics now handled by the Bureau of Statistics could not better be associated with the work of promoting foreign commerce, which the Department of Commerce and Labor undertakes to do. Are not those two things related—the handling of statistics of foreign commerce and the promotion of foreign commerce by any other means, whatever that means may be? And that raises the suggestion, which seems to me, though perhaps politically difficult, extremely desirable and important, that the Bureau of Manufactures, as it now exists, which is practically a bureau for the promotion of foreign commerce, should be consolidated with the Bureau of Statistics.

Professor WILLIS. Would not that suggestion imply the transfer of these statistics of foreign commerce to the customs division of the Treasury?

Doctor DURAND. I think not. I am very glad to discuss that point, because that has occurred to some other people. I know Professor Adams suggested that to me on the ground that the statistics of foreign commerce are collected in the first instance by the Treasury Department. It seems to me that is not the logical place for analyzing and publishing them, because the statistics of any subject should be handled and interpreted, not necessarily by the person who originally secures that information, but by the person or authority which uses that information for some purpose.

Professor WILLIS. That is just my point, Doctor Durand. In the earlier part of your statement I think you spoke of the necessity of having statistics collected by the administrative offices to which they are related, as, for example, the statistics of banks, etc. Now I suppose that the origin historically of these foreign-commerce statistics was in the customs administration, both here and elsewhere.

Doctor DURAND. Oh, yes.

Professor WILLIS. And that perhaps the most important use is made of them by the Treasury Department.

Doctor DURAND. That is where I am inclined to differ with you. That Department furnishes the data. It has the data in the first

instance, and it uses them for certain purposes connected with the administration of customs; but it seems to me that a much more important use of the statistics of imports and exports is for the information of the public as to movements of commerce, for the information of the public as to the tariff question (among others), which is an economic question and not simply a fiscal question. It is not the Secretary of the Treasury, looking at the matter solely from the standpoint of revenue who does or, as I think, ought to determine the tariff policy of the country. It is rather the economic aspects of the tariff in its relation to domestic industry which should be considered, and consequently the Department of Commerce and Labor, which was created for the purpose of promoting industry and trade, seems to me the organization that should interpret these statistics of foreign commerce in all those bearings.

Professor WILLIS. That is a very important suggestion. I would like to ask in that connection whether such a bureau of foreign commerce would be most closely allied in nature to the present Bureau of Statistics or to the Bureau of Manufactures. In other words, which should be the basic organization in building up such a bureau, the Bureau of Statistics or the Bureau of Manufactures?

Doctor DURAND. I think that theoretically the active work of promoting foreign commerce, which is theoretically the work of the Bureau of Manufactures, is the primary work, and the statistics the secondary or adjunct means. But it will probably be a long time to come before the Department has the authority or the means, in the way of money or experience, to do anything big in the way of directly promoting foreign commerce, and the statistics will therefore be perhaps the chief feature of the work for a considerable time to come; so that it would not be like the tail wagging the dog if the Bureau of Statistics, for the time being at least, absorbed the Bureau of Manufactures. I am not advocating it one way or the other, though; I simply say that the two are intimately related. It is immaterial which arrangement is made.

Professor WILLIS. It would not be immaterial from an administrative standpoint, I suppose?

Doctor DURAND. From the standpoint of pure personnel, as to which of the men who are now in charge should become the head, that of course is a very different and difficult question.

Professor WILLIS. I did not mean to ask that.

Doctor DURAND. But I think that if the work of the two Bureaus were combined the statute ought to state plainly that it is the function and duty of that bureau primarily to promote foreign trade, with perhaps certain other functions—domestic commerce, too, if you please, if it is decided that that ought to be included with the same work—and that as an incidental to that general object it should edit the consular reports, publish statistics of the foreign commerce of the United States, publish monographs on the commerce of foreign countries, publish tariffs of foreign countries and answer inquiries regarding tariffs, and that the statute should otherwise specify the functions which now exist, but make the broader function that of promoting the foreign commerce of the United States.

Professor WILLIS. You do not recommend that as an immediate change?

Doctor DURAND. The sooner it is done the better, in my judgment because the easier it will be. The present arrangement will tend to crystallize unless some quick action is taken, it seems to me. The personal elements, which are always more or less opposed to an amalgamation, involving as it does the subordination or exclusion of some individual, will become more strongly intrenched in the future, and personally I should like to see that combination made immediately if it is politically possible.

Mr. NORTH. Your theory is that there are now two bureaus in the Department of Commerce and Labor whose functions practically overlap each other?

Doctor DURAND. Exactly; the one being, theoretically at least the administration or accomplishing of something, and the other the collection of information relating to that. The two ought to be together.

Professor WILLIS. You think it was a mistake, do you not, to transfer the consular reports and the Tariff Division from the Bureau of Statistics to the Bureau of Manufactures, inasmuch as, when you had them here in the Bureau of Statistics, you had a much larger nucleus for such a bureau as you speak of?

Doctor DURAND. I think so; practically the Bureau of Manufactures has as yet no other function except those which were transferred to it.

Professor WILLIS. That is the same as saying the Bureau of Manufactures should never have been brought into existence?

Doctor DURAND. Unless some definite ideas existed on the part of those who established it as to what it should accomplish, over and above what it is now accomplishing. It is now, it seems to me, doing nothing which needed to be transferred from the place where it formerly was.

Doctor NEILL. Doctor Durand, do I understand your position to be that the collection and handling of statistics, that is, of current statistics, should as far as possible be associated with the bureau of whoever has charge of the development of the subject to which they belong?

Doctor DURAND. Yes. For instance, it is the duty of the Bureau of Labor to investigate labor conditions, to promote harmony between employers and employees and improve the condition of labor and it is eminently proper that in the discharge of those active functions it should collect statistical information which bears upon them.

Doctor NEILL. You think the handling of the statistics should be associated with the bureau that has the administrative and the concrete work of accomplishing something on which those statistics bear?

Doctor DURAND. Exactly; I think that is about the most fundamental proposition of all.

Professor WILLIS. If a mistake was made in transferring those functions to the Bureau of Manufactures, the natural thing would be to retransfer them to the Bureau of Statistics.

Doctor DURAND. Yes. If you notice what the two Bureaus are actually now doing, you can see how much real difficulty is caused by the separation. The Bureau of Statistics has a splendid library of *foreign and domestic* publications relating to trade and commerce.

The Bureau of Manufactures is only beginning to accumulate such a library. Some consul sends in to that Bureau a report from a foreign country which presents certain statistics or a discussion of certain economic facts. The report may be careless and erroneous, and the way to determine whether it is correct and to edit it properly is by the use of the books and documents which the Bureau of Statistics has. Then again, an inquiry comes in to the Bureau of Manufactures about certain conditions of foreign trade. The library which the Bureau of Statistics has, and the information which it necessarily possesses and ought to possess with regard to the foreign commerce of the United States and the commerce of foreign nations with one another—that information is at hand for the Bureau of Statistics to answer those inquiries. In other words, there are some functions for the Bureau of Statistics to perform, and which it does perform, and did to a greater extent before this separation occurred, quite independently from the mere collection of statistics. It seems to me they ought to have been kept together.

Professor WILLIS. Has not the work increased in efficiency since the transfer?

Doctor DURAND. I do not know about that. I have not seen any signs of it, and I can say further, that whatever growth takes place in the work of this Department in promoting commerce, that growth would be very greatly facilitated if these two Bureaus were brought back together and we went on from that as a nucleus. It is difficult to see just how you can satisfactorily develop the Bureau of Manufactures, of which the very name is misleading, in such a way as to extend the functions of this Department in the way of actually promoting commerce; whereas taken together, the two Bureaus might form a nucleus for one bureau of some importance.

There is just one other question, and that is about the work on internal commerce. There are some reasons why the work on internal commerce should best be in the same hands as the work on foreign commerce; there is no question about that. The two are intimately related, and the same bureau that undertakes to promote foreign commerce might very properly undertake to promote internal commerce, to smooth the channels of internal commerce, and incidentally to get statistics of internal commerce. So that it would seem to me extremely desirable that that work on internal commerce should stay where it is, except for one reason, which needs to be very carefully considered, and that is that the Bureau of Statistics has no legal right of access to original sources of information on internal commerce. For that reason it has hitherto simply assembled statistics which have been previously collected by some other authority. That is substantially true, is it not, Mr. Austin?

Mr. AUSTIN. Yes, except as it is done on the Great Lakes.

Doctor DURAND. There are two principal original sources of information regarding internal commerce; there are other incidental sources, but there are two principal sources. One is the records of railroad companies and the other is the records of water carriers. Now, the Interstate Commerce Commission is the authority which has jurisdiction over railways. The Interstate Commerce Commission does get some statistics of internal commerce; that is, of movements of goods on the railroads. These, however, are published in such a summary form as to be of substantially no value for the purpose of

determining what you may call the rivers of commerce, the tendencies or directions of commerce. The statistics of water transportation are collected only in the most fragmentary way and there is at present no organization, unless it be the Bureau of Corporations, that has the legal authority to compel the presentation of such statistics.

MR. NORTH. The Census has decennial power?

DOCTOR DURAND. Yes; but in view of the fact that internal commerce furnishes a continuous flow of statistical information year after year which ought to be published year after year, I do not think it would be the proper function of the Census Bureau, provided at least we have a separate Bureau of Statistics of Commerce which can handle that subject.

MR. AUSTIN. You think there ought to be a continuous flow, do you?

DOCTOR DURAND. Yes; certainly. Now the question is, How are we going to get that information in such a way that it can be used? The Interstate Commerce Commission ought, of course, when it collects statistics about the finances of railroads and everything of that sort to collect also statistics of the traffic which those railroads move. I would be, in my judgment, unfortunate to separate the administration of railway statistics in such a way that one schedule on finances and matters of that sort would be presented to the railways by the Interstate Commerce Commission and another one on traffic movements would be presented by another body. For one thing, the Interstate Commerce Commission needs that information about traffic movements in its administrative decisions. From time to time, when it fixes rates or anything of that sort, it has to consider this rather detailed information which it asks regarding traffic movements, but which it does not now publish. It publishes only summaries and very general information. Moreover, it would tend to annoy and perplex the railways to have two different authorities demanding statistics from them. So that in many ways it is difficult to see how the primary collection of that information could be taken away from the Interstate Commerce Commission.

DOCTOR NEILL. Before you get away from that, don't you think certain form of cooperation of this kind would be feasible? Suppose there is certain information which the Interstate Commerce Commission needs for its work, and that there is certain other information that might be desirable for the purpose of this bureau. Could not the Interstate Commerce Commission submit its schedule to that bureau and have them add to it such questions as they desire, and then the Interstate Commerce Commission gather the whole thing and turn it over?

DOCTOR DURAND. That is exactly what I have in mind.

PROFESSOR WILLIS. You speak of annual statistics?

DOCTOR DURAND. Well, monthly, too—current statistics.

PROFESSOR WILLIS. There was some suggestion the other day that desirable economy might be obtained by curtailing these.

DOCTOR DURAND. I think, on the contrary, that we have more need of monthly statistics of internal commerce than we do monthly statistics of foreign commerce.

On the matter of water transportation, of course that is all in the air until there is some legislation more clearly specifying the power

and duties of different government bodies on that subject; but it seems to me that the logical thing to do is to give the Interstate Commerce Commission, which has the power to fix rates on railroads and to regulate railroads, similar power with regard to water carriers. The two are intimately connected. The railroads actually control the water lines in a large proportion of the United States, and you can not separate them. If you do give the Interstate Commerce Commission such jurisdiction, then it would naturally get schedules from water carriers approximately similar to the schedules from railroad carriers. So the Interstate Commerce Commission would, it seems to me, be logically the primary collecting agency for statistics of internal commerce.

MR. NORTH. You know that Chairman Knapp of the Interstate Commerce Commission wants to get rid of that, do you not?

DOCTOR DURAND. Yes, sir; I understand so.

MR. NORTH. He wants the compilation of the railroad statistics transferred bodily to the Census.

DOCTOR DURAND. The compilation of it, that is the mere addition and subtraction, is one question; but the power to get that information is solely, as I understand it, in the Interstate Commerce Commission.

MR. NORTH. It lies in their law rather than in the Census law. There is no doubt about that.

DOCTOR DURAND. And moreover, for reasons that I have suggested before, it seems to me that the body that investigates and regulates railroad rates and which has the general jurisdiction over railroad conditions ought to collect and interpret the statistics. As to the mere mechanical work of handling them, there is perhaps a question whether it ought not to go to some other place. That I am not discussing. But the interpretation of railroad statistics belongs to the Interstate Commerce Commission. They ought to handle the statistics in all the broader senses. But when it comes to the statistics of the movement of traffic over the railroads of the goods that go back and forth, it is only in a limited sense that the Commission has occasion to use them. At any rate such statistics have a use to the public entirely independent of any railroad regulation, and the function of presenting them for such use seems to me to belong to the Department of Commerce and Labor. So, just as the customs division collects statistics of foreign commerce which are then, as I believe properly, turned over to the Department of Commerce and Labor for compilation and interpretation, so the Interstate Commerce Commission could furnish the raw material for statistics of internal commerce and it could be handled by this Department. And, as has been very properly suggested, the Interstate Commerce Commission could modify its schedule as far as necessary in order to secure just that information which the Department of Commerce and Labor needed.

PROFESSOR WILLIS. In this same connection it was suggested the other day that there was some complaint to be made of the present method of getting these statistics of internal commerce, because they were not obtained by Census methods—that is to say, they were not absolutely complete. I should like to have your opinion as to whether absolute completeness is necessary to give such statistics a

value, or whether as great a value is not obtained through knowing the movement of staple commodities.

Doctor DURAND. I think the latter is really the only thing that can be done. You can get statistics which are complete in a certain sense without a great deal of difficulty and expense; that is, statistics showing the total quantity of each particular commodity or class of commodities that is shipped by a railroad company, but that is of practically no interest. Taking a railroad that runs from the Atlantic to the Pacific and has branches everywhere, who cares how much weight of a given commodity that company as a whole receives on its cars? What we are interested in is how much weight the company moves in this direction or in that direction, between this city or section and that city or section. Consequently, you have got to get statistics of traffic movements with regard to particular commodities between particular points, and as to that, statistical completeness is simply out of the question. If you tried to get statistics of the movement of every commodity from every point to every other, you would get a burden of statistics in a single year that you could not translate and publish in a lifetime. A particular reason why I think this subject is not adapted to Census methods is that the number of items would be so great, and it would require constant expert judgment as to just what should be asked in order to get the really important movements.

It seems to me that what we need here really is one comprehensive Bureau of Commerce, whose functions shall be to promote internal and foreign commerce, to furnish information of all sorts to the public regarding internal and foreign commerce, and, as an incident to that, to handle all classes of statistics relating both to foreign and internal commerce. I use the word "commerce" in a strict sense. No manufactures should be involved, and no other factor except commerce.

There is one thing, however, which it seems to me is intimately related to commerce, and that is price statistics. I am inclined to think that the logical place for price statistics would be in such a Bureau of Commerce, not in the Bureau of Labor nor the Bureau of the Census. One reason why they should not be in the Census Bureau is because price statistics are a continuous flow and must be kept up to date all the time, and a continuous flow of monthly statistics is something that is not particularly adapted to census methods.

Mr. NORTH. Are you aware that precisely the same suggestion that you have now made in regard to the Bureau of Commerce was unanimously recommended by the commission which was established by Secretary Cortelyou at the beginning of his administration?

Doctor DURAND. No; I did not know that. I have, of course, discussed that thing with other people, but never, so far as I know, with any member of that commission.

Mr. NORTH. The committee wrote quite an elaborate report along the lines which you have indicated.

Doctor DURAND. I do not consider this any great invention. It seems to me that it is simply common sense and an idea which would occur to almost anyone. But, of course, if we advocate that sort of thing, it would not be compatible with the transfer of these present functions of the Bureau of Statistics to the Bureau of the Census except, perhaps, as to the mere mechanical work of compiling the

figures. That administrative question as to whether the actual addition, subtraction, and tabulation should be done in one place instead of in another I am not able to discuss at all.

If we had one building where the whole Department of Commerce and Labor were assembled, in which we had a great computing force, whether under the charge of the Bureau of the Census or under some special head, whose business was like that of the Government Printing Office, simply to handle things that other people were doing, it might be very desirable, perhaps, to put a good deal of the compilation work which is done by other bureaus into the hands of that bureau. But with the work of the Department separated physically, as it is now, in different places, I am not so sure; and I should always want very strenuously to avoid putting the discretionary work too much into one set of hands. My idea is to keep the responsibility adequately divided while at the same time having a proper coordination by means of consultation.

Mr. NORTH. To sum up your position, Doctor Durand, it is about this, is it not—that, conceding that there is a superfluous bureau in the Department of Commerce and Labor, the solution of that difficulty is best to be reached not by consolidation of the Bureau of Statistics with the Bureau of the Census, but by a combination of the Bureau of Statistics with the Bureau of Manufactures in a new bureau to be called the Bureau of Commerce?

Doctor DURAND. Exactly; and an extension of the functions of that bureau.

Doctor NEILL. Doctor Durand suggested the transfer of the collection of prices to that bureau. I want to say that I heartily agree with that. That work belongs anywhere except where it is now.

Doctor DURAND. And I think it could be very considerably extended.

Professor WILLIS. There is one point, Doctor Durand, that occurs to me. These internal and foreign commerce statistics are, of course, primarily commercial in their character. Now, in connection with the proposition to transfer those to the Census Bureau, I should like very much to know whether you have had experience with the commercial statistics that are already compiled by the Census Bureau; that is, statistics relating to the production of various kinds of commodities and to the shipment of those commodities. For example, are there statistics on petroleum compiled there with which you have had any experience?

Doctor DURAND. Well, not statistics of shipments. There have been statistics taken by the Census, although I am not entirely familiar with them, on the production of crude petroleum and the manufacture of refined petroleum products. In other words, it is industry and not commerce.

Professor WILLIS. There is nothing about the movement of them?

Doctor DURAND. No. The Geological Survey publishes information about movements of crude petroleum, and the Bureau of Statistics publishes a limited amount of information about the internal movement of crude and also some of refined petroleum.

Professor WILLIS. So that your experience with those statistics does not enable you to state definitely what you think of the capacity of the Census Bureau as a collector of such statistics?

Doctor DURAND. No; and besides, as to that class of statistics there would not be anything to do but take the figures furnished by the Standard Oil Company so far as all important movements of crude petroleum are concerned. The present bureaus which handle petroleum statistics do not collect and would not have any occasion to collect figures at first hand, because they are already available, in so far as crude petroleum is concerned, in the reports of the Standard pipe lines.

Thereupon, at 11.40 o'clock a. m., the committee adjourned until Thursday, October 17, 1907, at 9.30 o'clock a. m.

SIXTH DAY.

THURSDAY, October 17, 1907.

The committee met at 9.30 o'clock a. m. in the office of the Assistant Secretary of Commerce and Labor.

Present: Messrs. Murray (chairman), North, Neill, Austin, and Willis.

STATEMENT OF DR. HUGH M. SMITH,

Deputy Commissioner of Fisheries.

The CHAIRMAN. From your knowledge of the organization and work of the Bureau of Statistics and the Bureau of the Census, and from your general familiarity with the subject of statistics gained from a great many years in the service of the Government, which service has necessarily required you to use statistics to a greater or less degree, do you believe it would be practicable to consolidate the Bureau of Statistics with the Bureau of the Census?

Doctor SMITH. I have examined the recent reports of the Bureau of Statistics with this question in mind, and I can not see, from the nature and scope of those reports, that anything would be lost by a combination of the two Bureaus. In fact, it seems to me that the work of the Bureau of Statistics is along the very lines that the permanent Census Bureau was established to look after.

Whether or not a saving would be effected, I do not know. I am not sufficiently familiar with the administrative details of the Bureau of Statistics to know whether a consolidation is feasible; but from the standpoint of statistics alone I can see no objections to it; but, on the contrary, I see very strong reasons for making the consolidation.

STATEMENT OF MR. CRESSY L. WILBUR,

Chief Statistician for Vital Statistics, Bureau of the Census, Department of Commerce and Labor.

The CHAIRMAN. Mr. Wilbur, will you please give the stenographer your name and the position which you occupy?

Mr. WILBUR. Cressy L. Wilbur, Chief Statistician for Vital Statistics, Bureau of the Census.

The CHAIRMAN. You are familiar, of course, with the publications of the Bureau of the Census?

Mr. WILBUR. I am somewhat familiar with them; yes.

The CHAIRMAN. How long have you been in the Census Office?

Mr. WILBUR. I have been in charge of the Division of Vital Statistics as Chief Statistician for a little more than a year—since July 1, 1906—but I have been associated with the work of the division as medical referee and expert special agent for a number of years previous to that time.

The CHAIRMAN. Have you examined the publications of the Bureau of Statistics?

Mr. WILBUR. I have known of them and referred to them occasionally, but have examined them with some care recently since receiving your letter.

The CHAIRMAN. From your knowledge of the organization and work of the Bureau of Statistics and the Bureau of the Census, do you believe it would be a practicable and wise thing to do to make the Bureau of Statistics a part of the permanent Census Office?

Mr. WILBUR. I believe that it would be.

The CHAIRMAN. Will you please give the committee the reasons for your belief?

Mr. WILBUR. I shall speak especially with reference to the Statistical Abstract of the United States. In that there is very much that might very properly and, I think, preferably be gotten out by the Bureau of the Census. It is desirable that there should be absolute agreement in statistical reports issued by the Government, and especially by two bureaus of the same Department; and it seems to me that this object could be attained and the harmony of the official statistics be preserved better by the consolidation of the two Bureaus in one Bureau of the Department. Also, in the Statistical Abstract of the United States it is likely that some subjects which are quite important and which are found in similar publications of foreign governments, such as mortality statistics, would be represented if, as would happen after such consolidation, those statistics were prepared by the Bureau for publication.

I believe also that the tendency of modern statistical administration is toward concentration of statistical work and that it is in general conducive to efficiency and economy and also to great convenience of reference by persons desiring to make use of statistics. I think that perhaps covers the question.

The CHAIRMAN. Do you know of any duplication of work in the Bureau of Statistics and the Bureau of the Census?

Mr. WILBUR. There is to some extent duplication of published statistics. One thing which occurs to me is the estimation of population, because in vital statistics we are continually required to make use of the estimates of population, and a person using the last Statistical Abstract of the United States would find quite a different statement of the estimated population of the United States for the year 1906 than that given by the Bureau of the Census for the same year.

The CHAIRMAN. Where does the Bureau of Statistics get its figures?

Mr. WILBUR. It is stated that they were from the Bureau of the Census for that year. Prior to that time the estimates were made by the Actuary of the Treasury Department.

The CHAIRMAN. Do I understand that the figures which the Bureau of Statistics was supposed to have taken from the Bureau of the Cen-

sus were not the actual figures of the Bureau of the Census for that year?

Mr. WILBUR. They do not agree with the figures stated by the Bureau of the Census.

The CHAIRMAN. Were the figures of the Bureau of the Census an estimate?

Mr. WILBUR. Both statements are estimates for the year 1906.

Professor WILLIS. Mr. Wilbur, I understood you to say that the concentration of statistical work you thought was a feature of the modern administration of statistics. Did I understand that correctly?

Mr. WILBUR. Yes.

Professor WILLIS. We had some testimony here the other day, I think, by two or three witnesses to the effect that in most foreign countries, with, I think, Germany as a conspicuous exception, the commercial statistics were compiled not in the central statistical office, but in separate offices. Can you tell us anything about that and whether, in your judgment, that would constitute a limitation on your general statement?

Mr. WILBUR. I had in mind the organization of the statistical department of the new Commonwealth of Australia, some of whose reports I have recently seen; and in the title of that department, the "Commonwealth bureau of census and statistics," covering all branches of official government statistics, it seemed to me that this tendency was very well marked. I am not personally familiar with the German official statistics of commerce; it is rather out of my line of study.

Professor WILLIS. Or with the commercial statistics of other commercial European countries?

Mr. WILBUR. No; I am not especially familiar with that phase of the subject.

Professor WILLIS. So that your statement is purely general in character and is not to be taken as having a specific application to commercial statistics?

Mr. WILBUR. No.

Professor WILLIS. It is purely general?

Mr. WILBUR. Purely general.

The CHAIRMAN. Do you recall, in a general way, the organization of the statistical bureau of Australia?

Mr. WILBUR. I have only seen some of the recent publications; for instance, a publication with relation to causes of death. I noted the form of the title of the department and the fact that they were including in their reports all those phases of mortality statistics that had sometimes been handled by the boards of health or health departments.

Professor WILLIS. Did I understand you to say that the Statistical Abstract of the United States should be taken over to the Census?

Mr. WILBUR. It seems to me that would be very desirable.

Professor WILLIS. We have had a suggestion here by several people that equally good results could be obtained through an interdepartmental committee which would select and sift out the statistics that were needed there. What would you think of that suggestion?

Mr. WILBUR. I presume the object could be accomplished in that way, but it seems to me that if the responsibility were placed defi-

nately on a single bureau, and a bureau which was responsible originally for a considerable portion of the statistics, the results might be better.

Professor WILLIS. Do you think that the Statistical Abstract should contain a larger proportion of census statistics—that is, of statistics now gathered by the Census—than of all other statistics combined?

Mr. WILBUR. I would not undertake to say that without making a careful quantitative examination of it; but I am inclined to think that in the census year it should contain perhaps a larger proportion of census statistics. It might not be necessary to carry that on for each interdecennial year.

Professor WILLIS. Your idea, then, in transferring this to the Census Bureau would be that inasmuch as the Census should have a greater representation in that book, or normally would have a greater representation, it would be the natural office to take charge of the publication of the book?

Mr. WILBUR. That is very much the idea that I had.

Professor WILLIS. So that if it were determined that it was not wise to have a larger proportion of census statistics in the book than of other statistics, the argument for transferring it to the Census rather than to an interdepartmental committee would not be so strong?

Mr. WILBUR. No; it would not be so strong.

Mr. AUSTIN. You spoke of a disagreement between the statistics of population in the Statistical Abstract and those of the Census. Do you know on what office the Bureau of Statistics relies for its statements?

Mr. WILBUR. The Census, I believe; that is, since 1905.

STATEMENT OF DR. CHARLES C. CLARK,

Associate Statistician, Department of Agriculture.

The CHAIRMAN. Doctor Clark, will you give your full name and the title of the position which you hold?

Doctor CLARK. Charles C. Clark. I am associate statistician of the Department of Agriculture, and at present acting chief of the Bureau of Statistics of that Department.

The CHAIRMAN. What experience have you had in the handling of statistics?

Doctor CLARK. I have been engaged in the handling of statistics in the Department of Agriculture for about eight years, during a part of which time I was employed on special statistical compiling and investigating in connection with general inquiries for statistical information that had been sent to the Department of Agriculture and referred to the Bureau of Statistics for reply.

The CHAIRMAN. Are you somewhat familiar with the work and the publications of the Bureau of Statistics of this Department?

Doctor CLARK. Yes, sir; I had occasion to become more or less intimately acquainted with those publications as a source of information in the preparation of a good many special statistical compilations that we have had to make from time to time and in the preparation of special memoranda and monographs for the Secretary.

The CHAIRMAN. And in like manner you are familiar with the work and the publications of the Bureau of the Census?

DOCTOR CLARK. Yes, sir. I have never had any connection with those Bureaus myself; I have simply become familiar with them in connection with this statistical work.

MR. NORTH. You have cooperated to a certain extent with the Bureau of the Census in connection with the cotton work?

DOCTOR CLARK. Yes, sir; and we have often conferred, of course, with both the Bureau of Statistics and the Bureau of the Census.

THE CHAIRMAN. Doctor Clark, do you think it would be in the interest of good administration and a practical thing to do to consolidate the Bureau of Statistics with the permanent Bureau of the Census?

DOCTOR CLARK. Generally, I do not think it would be advisable.

STATEMENT OF MR. JOHN H. DYNES,

Special Examiner, Bureau of Corporations, Department of Commerce and Labor.

THE CHAIRMAN. Mr. Dynes, will you give your name and the position which you occupy?

MR. DYNES. John H. Dynes. I am at present a special examiner in the Bureau of Corporations.

THE CHAIRMAN. What was your experience before you held that position?

MR. DYNES. I was in the Census Bureau for nearly four years before that, most of the time in the Division of Methods and Results.

THE CHAIRMAN. Are you somewhat familiar with the work of the Bureau of Statistics?

MR. DYNES. I have never been employed in the Bureau of Statistics and have no special knowledge of the methods used there. But I have looked over the publications of the Bureau and have had occasion to use them from time to time. I have examined them to some extent since receiving the letter from this committee.

THE CHAIRMAN. Do you think it would be a wise thing to do and in the interest of good administration to consolidate the Bureau of Statistics with the Bureau of the Census?

MR. DYNES. No, sir. If you will permit me, I should like to read a statement of my views on this subject.

The statement referred to was thereupon read to the committee by the chairman, and is as follows:

MEMORANDUM IN RE QUESTION OF COMBINATION OF STATISTICAL BUREAUS.

Two main questions are involved in deciding whether or not it is wise to combine two statistical bureaus, such as the Bureau of the Census and the Bureau of Statistics of the Department of Commerce and Labor. The first relates to the subjects or classes of subjects with which the two Bureaus have to deal. It involves the question of duplication and is of interest both from the scientific and the practical standpoint. The second is a question of administration, namely, whether greater economy and efficiency will be secured under a consolidated bureau than with two separate organizations.

If the subjects with which the two Bureaus are concerned are to a considerable extent the same or are so closely related that no nat-

ural line of separation can be drawn, then there will almost necessarily be lack of uniformity, duplication of work, and waste of effort and money. In such a case the logical course is combination. On the other hand, if each bureau has a field quite separate from that of the other, it is doubtful whether consolidation would be of advantage, unless attended with marked economy in administration.

So far as my knowledge of the work of these two Bureaus extends, each has its own field quite distinct from that of the other, and there is practically no duplication of the work of one by the other. The Bureau of Statistics has to do almost exclusively with statistics of commerce, foreign and domestic. The Bureau of the Census deals with statistics of population, agriculture, manufactures, and finance. The two fields of work are therefore separated from each other by very distinct boundaries.

Each Bureau does to some extent duplicate the published tables of the other in its own publications, e. g., the Statistical Abstract contains numerous tables of statistics of population and agriculture copied from the reports of the Bureau of the Census. Some of the Census bulletins present tables of exports and imports copied from the publications of the Bureau of Statistics. But this is not objectionable duplication; it is not duplication in the work of securing and compiling statistics. It is merely using in another connection figures already published by another bureau. The same republication of tables would be as necessary or desirable if the two Bureaus were combined.

The conclusion, therefore, from the standpoint of the subjects of the statistics handled by the two Bureaus is that there would be no special advantage gained by consolidation.

The question may then be considered from the viewpoint of administration. Some degree of economy is ordinarily to be expected as the result of merging two organizations hitherto independent. I am not sure that my knowledge of this subject is sufficient to enable me to forecast to what extent this result would ensue from the merging of the Bureau of Statistics and the Bureau of the Census; but I am inclined to think it would not be very marked. The opportunity for more economical administration might be expected to occur in three ways:

First. There might be a reduction in the number of persons engaged in planning and supervising the work.

Second. It might be possible to reduce the clerical force or to use it to greater advantage by shifting clerks from one assignment to another as would best suit the exigencies of the work. Within reasonable bounds the greater the number of clerks the greater would be the scope for economy by this means.

Third. It is possible that combining the two Bureaus under one head would make it practicable to do away with certain work formerly done when there were two organizations.

It is evident, in regard to the third point, that if the statements already made are true, if each of the Bureaus has its own independent field of action and there is little or no duplication there would be no room for reducing the work now done. To assume the contrary would be to hold that some of the work turned out at present by one or both of these Bureaus is superfluous, *though not a duplication*; and

it is obvious that such a condition could be corrected by the Secretary of the Department under the present plan of two Bureaus.

In regard to the second point, namely, the possibility of more economical use of the clerical force, it should be noted that both of these Bureaus have been organized for a considerable time and that the work of both is of such a nature that it can be outlined and plans made for carrying it out considerably in advance. Hence, it is reasonable to suppose that under the present arrangement it is not difficult to keep the clerks employed continuously and without periods of idleness.

As regards the first point, it is doubtful whether it would be possible materially to reduce the number of persons engaged in planning and supervising without detriment to the work. Moreover, since it would be necessary for the person at the head of the combined bureau to intrust to a subordinate all but the broad general direction of the work taken over from the other Bureau, it may be questioned whether as good results could be obtained as at present. For, under the new arrangement, the position of the person having direct supervision of the work previously performed by the merged bureau would be one of less dignity and importance than that of the head of a separate bureau, and it might be difficult to secure the same grade of talent for the less important position.

Professor WILLIS. You were in the Census, I believe, for four years?

Mr. DYNES. Nearly four years.

Professor WILLIS. Is it your opinion that if this consolidation should take place the work of the Bureau of Statistics would or would not tend to be somewhat reduced and minimized?

Mr. DYNES. I should think it probably would be minimized. You mean in the importance attached to it?

Professor WILLIS. Yes; I mean the scope and importance of it. It was suggested, I think by Mr. Steuart, that there would be that tendency to minimize it, especially along the line of internal commerce.

Mr. DYNES. That would seem to be probable.

Professor WILLIS. In what way would that tend to take place, do you think?

Mr. DYNES. Only in the way that the former Bureau of Statistics would then be one of a number of coordinate divisions of the Census Bureau—that is, if the proposition is to abolish the Bureau of Statistics by making it a part of the Bureau of the Census.

Professor WILLIS. Yes.

Mr. DYNES. It would not necessarily follow, but it might follow that less importance would be attached to it then, because it would be only one of a number of coordinate divisions, and would not, perhaps, be thought to deserve any more attention than any of the others.

STATEMENT OF DR. FRANCIS WALKER,

Special Examiner, Bureau of Corporations, Department of Commerce and Labor

The CHAIRMAN. Doctor Walker, will you give us your name and the position which you hold?

Doctor WALKER. Francis Walker; special examiner in the Bureau of Corporations.

The CHAIRMAN. What experience did you have before you came to the Bureau of Corporations, Doctor Walker?

Doctor WALKER. I had the regular formal economic education, doctor of philosophy, etc., and then I taught economics for seven years, I think.

Mr. NORTH. Where did you teach, Doctor Walker?

Doctor WALKER. In the Colorado College, and in the Western Reserve, in Cleveland.

Mr. NORTH. You have had some experience abroad, have you not?

Doctor WALKER. Yes. I spent a year in Germany studying and writing. I have published a number of articles and a couple of books on economic subjects. I had not written especially on statistical subjects until I began my work here in the Bureau. My work in the Bureau has been considerably in statistical work—prices and matters of that sort.

The CHAIRMAN. You received a letter from me, did you not, requesting you to appear before the committee, and asking you to examine the publications of the Bureau of the Census and the Bureau of Statistics?

Doctor WALKER. Yes. I believe I was asked to examine the publications of the Bureau of Statistics, but I was more or less familiar with them from frequent use of them, and I have always received the Census reports and have a general familiarity with them.

The CHAIRMAN. You know, of course, the purpose of our work here, Doctor Walker?

Doctor WALKER. Yes. I believe the letter said at the beginning that the inquiry was as to the advisability of consolidating the statistical bureaus of the Department, and at the end it specifically stated the Bureau of Statistics and the Bureau of the Census.

The CHAIRMAN. It is on that subject that the committee wants your opinion.

Doctor WALKER. Well, I am not in favor of it.

The CHAIRMAN. Why not?

Doctor WALKER. I am not in favor of it either for special reasons of expediency or on general principles. I think the thing ought to be decided on general principles, though there are special reasons that I think ought to be considered in every case—whether there is some ground for departing from the general principle.

The CHAIRMAN. On general principles, why are you not in favor of it?

Doctor WALKER. I look at it from the point of view of the whole statistical work of the Government in the first place. I think that any step that is taken in this case ought not to be taken except with regard to what ought to be the general policy. It ought not to be decided, for example, to consolidate the Bureau of Statistics with the Bureau of the Census without regard to what future steps might be taken in the consolidation of other bureaus in the Department of Commerce and Labor; and furthermore, I think that question ought not to be separated from the question of all the statistical work of the Government—in the Department of Agriculture, in the Treasury, etc. I think all those questions ought to be considered in the broadest sort of way. I do not think the present organization of the statistical service of the Government is by any means ideal. I do not think it could be expected to be.

The CHAIRMAN. That is what we are trying to get at. We are not trying to make an ideal arrangement all at one step, but we are trying to take a step at a time, if it is a good step. If it is not, we do not want to take it. We would like your opinion as to whether or not this would be a good step in itself, and not a backward step, irrespective of what ought to be done in other Departments. I understood you to say that you did not think it would be wise to take this step unless other possible consolidations and combinations were made in other Departments.

Doctor WALKER. I meant to say more than that. I think that the correct policy consists in looking at the statistical service of the Government as a whole and seeing what would be the ideal plan or what ought to be the correct scheme, and then deciding whether this particular step would harmonize with the most perfect scheme one could imagine. Of course, there might be particular reasons of various sorts, not at all of a statistical character—I mean to say, not depending at all on the production of good statistics—which might make it desirable, not in principle, but simply on grounds of expediency, to make certain consolidations; but I think those ought to be made subordinate to a generally correct policy.

The CHAIRMAN. Now, what would be your main objection to the sending of the Bureau of Statistics to the Bureau of the Census—not on general principles, but on the question of expediency?

Doctor WALKER. I should like to start out with the general principle if I could, because I think that is the only way that makes it perfectly plain why I do not approve of the consolidation.

The CHAIRMAN. Very well.

Doctor WALKER. I think there is a general misunderstanding—I do not mean in this committee, naturally; but there is a general misunderstanding about the character of a statistical work and what it means. Most people think of it as something which has to do simply with the question of figures and putting figures together. I think the old use of the word “statistics” was any comprehensive, exact statement, which might be in words or in figures, and which dealt chiefly with things having to do with public economy; and the statistician was a man who understood those things and wrote about them, either using words or figures. I do not regard the use of figures as making a statistician. A man may be an accountant and a book-keeper, and use figures in a very exact and proper fashion, but he is not a statistician. I regard statistics as simply a method of expressing thoughts; and many things can be studied quite as correctly either way. Of course, that is more or less obvious. The use of figures, in my opinion, is no more a reason for amalgamating certain kinds of work than the fact that a person uses words. It is merely a form of expression of ideas.

The CHAIRMAN. We will admit that.

Mr. NORTH. I am not willing to admit that, Mr. Chairman.

The CHAIRMAN. The chairman will, and you can put in a protest. Don't you think it is theoretically good administration to combine allied bureaus when you can?

Doctor WALKER. No; not when you can.

The CHAIRMAN. I mean when you can advisedly and without detriment to the public service. All those qualifications go with my question.

Doctor WALKER. Yes; I should think so, when you can do it with advantage.

The CHAIRMAN. Assuming that the Bureau of Statistics is doing good work now, will it do less efficient work if it is made a part of the Census and a separate division is created there?

Doctor WALKER. I should fear it would be less efficient.

The CHAIRMAN. Can you see any substantial reason, assuming that the management of the Census Office is able and good, why the Bureau of Statistics would not be just as efficient there, with its corps of trained men, as it would be where it is?

Doctor WALKER. Yes; I have what I consider a very good general reason, that applies not only to the Bureau of Statistics, but equally well to certain other bureaus. This question might equally well have come up in regard to the Bureau of Labor.

The CHAIRMAN. What is the reason?

Doctor WALKER. I think that statistics should be handled by persons who are intimately acquainted with the subject they are figuring on.

The CHAIRMAN. I am assuming that the entire personnel goes over that has been handling them for years and years. The question of personnel is not before us.

Doctor WALKER. I think that if all the statistical bureaus of the Department of Commerce and Labor were consolidated into one bureau, it would become a bureau of more importance than any Department of the Government. I mean to say it is too big. It becomes as big as a Department of the Government in importance and organization; and it seems to me that is wrong.

Mr. NORTH. That was the Hamiltonian idea of the organization of the Government, you know—centralization.

Doctor WALKER. I do not oppose centralization, but what I oppose is putting all this work in one bureau in a Department. It is too big.

Mr. NORTH. Do you think the Bureau of Corporations would be more effective if the eight different investigations which you are making there were divided into eight separate bureaus, all under Commissioner Smith?

Doctor WALKER. No; I do not suppose that at all.

Mr. NORTH. Well, you are making eight or ten separate investigations there—great economic investigations. Do you think they would be more efficiently carried on if they were eight different bureaus under different heads?

Doctor WALKER. No; any more than I think the work of the Census ought to be divided up by States.

Mr. NORTH. The Census is divided into four or five important bureaus now, and this is proposing to add another. Do you think it would make it topheavy?

Doctor WALKER. I think it is topheavy already. The Bureau of the Census is an enormous Bureau already. It has an enormous amount of work.

Mr. NORTH. Do you think it would be more efficient if the Bureau of the Census were now subdivided?

Doctor WALKER. I think there is some work in the Bureau of the Census that it would be better, from a statistical point of view, to have elsewhere. I am not a judge of the administration and the

question of getting and keeping the proper personnel; but I think that to consolidate all this work of the Bureau of Statistics and possibly other bureaus with the Census would be a very bad thing. It is already an unusually large Bureau. If you put all the statistical work of the Department in that Bureau, you get the whole organization of the service inside of a bureau. The work is too important. You have got to adapt your organization to the size and importance of the work. Why is the Navy Department separate from the War Department? Why is there not simply one Department of War, as was done originally? Because naval affairs are too important, and can be treated better separately. So they divided what once was, if I am not mistaken, one Department into two Departments. And it is appropriate to have a minister in charge of military affairs and a minister in charge of naval affairs, instead of one man for all military affairs. It is on that principle. You must subdivide the work to get down to the proper scale, and to have men at the head of the different branches of the work, of proper rank, and under them chiefs of division, etc., of proper rank. Otherwise you will put the work into the hands of a lot of subordinates who have no authority, no prestige, no influence whatever. What you want is good statistics, not a great mass of statistics.

The CHAIRMAN. On the question of organization I entirely disagree with you; so I will not ask you any questions on that.

Doctor NEILL. Do I understand your position, Doctor Walker, to be that in this idea of general combination you feel that you lose efficiency by removing discretion and centering it in one point?

Doctor WALKER. Yes; and that point is, after all, a bureau of a department.

Doctor NEILL. That is, you think that you could not secure as efficient men if the final discretion under the Secretary was taken out from their hands and placed in the hands of some one just over them?

Doctor WALKER. Yes. Suppose that the Director of the Census were the only chief statistical officer of the Department. The present men who are chiefs of bureaus would disappear; there would be no longer that position and prestige which enables the Government to get good men for those positions, and to organize under them an efficient service; the efficiency that is possible under that arrangement would be largely made impossible. It is too big a work to put under one bureau, and there is too great a variety. It is too small a division of administration. That is my point of view.

Mr. NORTH. Do you realize that the work of the Bureau of Statistics, judging by the number of people it requires, is only about a half or a quarter in size of the work of any one of the divisions of the Census Office?

Doctor WALKER. That may be. I do not think, however, that the number of persons employed is a very good test.

Mr. NORTH. Neither do I.

The CHAIRMAN. You are arguing on the proposition that the work is somewhat allied?

Mr. NORTH. Yes. I think there is very much closer resemblance and affinity between much of the work of the Census Office and the work of the Bureau of Statistics than has been conceded in any of *these hearings*. Of course there is a very intimate relationship be-

ween the statistics of manufactures and production and the statistics of the exports and imports of manufactures.

Doctor WALKER. If you had annual statistics of production.

Mr. NORTH. Well, we have them every five years. The intimate relationship between those two branches of statistics can not be disputed. On the other hand, the same intimate relationship exists between the statistics of agriculture and statistics of exports and imports of agricultural products. Nothing could be closer or ought to be closer than the relationship between the work of the two bureaus.

Doctor WALKER. But, after all, the main work of the Bureau of the Census is to take from time to time a cross section of the affairs and the economic position of the nation. The work of the Bureau of Statistics is essentially to keep track, by daily and monthly records, etc., of the course of foreign trade chiefly.

The work of the Census Bureau was originally—it is somewhat changed; some things have recently been added to the work of the Census Bureau which to my mind are entirely foreign to it; but the main work of the Census Bureau has always been to take a cross section of the statistical position of the country. Now, if the Census Bureau, instead of taking once in ten years, or once in five years, the statistics of production, for example—of course that, after all, secondary to its main work, which is the constitutional business of taking statistics of population—if the Bureau of the Census took every year the statistics of production in all lines of industry, and had those records coming in, we will say, from month to month, then it would seem to me like the work of the Bureau of Statistics. But that were so—if all those matters of which the Census now makes record from time to time, once in ten years or once in five years, were matters in which the Government had information from month to month, then what I propose is, not that they should necessarily be consolidated in one bureau, but that they should be divided according to subject-matter.

For instance, the Bureau of Manufactures (supposing it were really a bureau of manufactures) might have the statistics of manufactures. There might be a "bureau of mines and forests," to have the statistics of production of the extractive industries. There might be a bureau of statistics of agriculture—or a division, however you might organize it—which would have charge of all the current production of statistics in agriculture, and so with commerce.

Mr. NORTH. You would duplicate the machinery in every instance, would you?

Doctor WALKER. Not necessarily. I do not see where the duplication is. You duplicate your machinery in the Census.

Mr. NORTH. No; we transfer it from one division to another.

Doctor WALKER. What is the difference between having bureaus and having divisions? It is a question of the grade and rank of the organization.

Mr. NORTH. The only difference in the world is that you handle it from one center, and you can handle it all in harmony with the whole scheme.

Doctor WALKER. That can be made possible even with bureaus.

Mr. NORTH. I have had some experience in the effort to cooperate with other bureaus, and I do not hesitate to say that that experi-

justifies the remark that, as a general governmental policy, it is impracticable and uneconomical.

Professor WILLIS. Mr. North, may I ask you a question there?

Mr. NORTH. Certainly.

Professor WILLIS. Is it not true that you and Mr. Austin, in co-operation, have greatly improved the relationship between the statistics of the two offices and have introduced a degree of harmony which has never before existed?

Mr. NORTH. It certainly is.

Professor WILLIS. And is it not true that in the same way you have also succeeded in materially improving the relations between the figures of the Census Bureau and those of other statistical bureaus?

Mr. NORTH. We have done the best we could.

Professor WILLIS. Have you had very substantial success in that?

Mr. NORTH. We have had very considerable success in the face of difficulties which it is impossible to describe adequately, and with opposition and friction which are extremely annoying.

Professor WILLIS. Doctor Walker, I would like to ask you one thing there, to see if I correctly understand your argument. As I understand you, you say that the mere fact that these two bureaus collect figures about certain things does not necessarily establish a close affinity in their work, and that, that being lacking, there is no more reason for consolidating the two than there would be for consolidating, say, another two bureaus; and that therefore you base your opposition to consolidation on questions of general administration; that is, you think general administration is more truly served by a certain division of the work—

Doctor WALKER. Appropriate to the scale and importance of the work.

Professor WILLIS. Yes. Do I understand that is your argument?

Doctor WALKER. Yes, that is part of my argument. And I think that the great trouble in Government statistics is apt to be not in quantity, but in quality; that a great deal of it is very poor, because the men in charge of it are not of the grade, and have not got the special authority and independence in the study and collection of material that they ought to have. What we need is a greater number of first-class men. It is not a question of people tabulating or using machines, etc., or of the bulk of the volumes of statistics you get out. It is a question of the quality, the careful and exact treatment; and I would a good deal rather see the statistics of the Government cut down and the quality improved than attempt to produce more and more cheaply by bringing them under one organization.

I think the idea of economy in this case very secondary. I think that it can be practically neglected. The difference in cost of the collection and publication of statistics ought not to really figure in this question at all. I have not studied the figures of probable differences in cost, but I am quite sure that this is a question of no importance whatever. In fact, my idea is that the Government ought to spend more for statistics rather than less. It ought to spend more money in getting more men who are expert, and putting the work in the charge of the best men possible. To do that the Government has not only got to pay more money, but it has got to make the positions better positions.

Professor WILLIS. Make them more attractive?

Doctor WALKER. Yes; make them more attractive, more dignified.

Mr. NORTH. It is a question then of prestige?

Doctor WALKER. Yes. To my mind the Government service depends more on the prestige of the positions than on the salary. How does the Prussian Government have such a magnificent administration? Because a Prussian Government official is really considered to be somebody; and great pains are taken to make that felt and realized throughout the community. I think that is one of the great effects of the civil service of the United States. It is not so apparent in the military service, but it is very apparent, I think, in the civil service compared with other countries, that the civil employee does not have the social prestige here that he has in other countries—even person of scientific attainments.

Mr. NORTH. That is largely due to the transitory character of the service, is it not?

Doctor WALKER. Partly, and partly to the lack of appreciation of that sort of work, and the fact that Congress does not recognize it. If Congress recognized it, of course the public would very soon recognize it, too.

Mr. NORTH. Now let me put a question to you, Doctor Walker. We have, we will say, in the Census Bureau eight or ten trained statisticians, and this proposition would, we will say, bring another there. Whenever a question arises as to the handling of a particular branch of statistics which is to be taken up or which is in progress these eight or ten statisticians are brought together in conference. The judgment of each and every one of them is centered on that particular problem; and the result of it is that every particular statistical inquiry that the Census Office undertakes has the benefit not merely of the services of the man immediately in charge of that particular inquiry, but the advice and the counsel and the criticism of that entire group of statisticians. Now, do you not think that that must necessarily tend to the improvement of the statistical work of all the divisions of the Office?

Doctor WALKER. Yes, I think it undoubtedly does; and I think that could be equally well accomplished—probably in nearly the same degree—among the different bureaus. I think it would be a very good thing if in the Department of Commerce and Labor there were some general opportunity for meeting and consultation, not only of the chiefs of bureaus, but also of those who are considered experts—those who are given some discretion.

The CHAIRMAN. That seems to be beside the main question. You argue that you get more efficiency by breaking a big organization up into bureaus. Mr. North points out how the big undertakings of the Census Office not only get the judgment of the head of a particular division which is going to handle the particular study in hand, but also the combined judgment of eight or ten of the best men in the whole Department. Now, he wants to know if in your opinion the judgment of one man is better than the combined judgment of eight or ten?

Doctor NEILL. Doctor Walker replies that it is not necessary to lose at all.

Mr. NORTH. My theory about this whole matter is simply this: That the work of the Bureau of Statistics, if it were made a part of the work of the Census Office, would immediately and constantly be improved and brought to a higher standard, simply because, instead of being the work of one individual chief, it would have concentrated upon it the best thought of a dozen men, either one of whom was the equal of the present chief.

Doctor WALKER. That is, of course, a personal question.

Mr. NORTH. I do not think it is a personal question.

Professor WILLIS. It seems to me that assumes that the conduct of the Bureau of Statistics is not efficient.

The CHAIRMAN. No; he does not assume that.

Doctor WALKER. You do not claim that all the chiefs of division in the Census Bureau are great statisticians, do you?

Mr. NORTH. No; but I claim that they are as good as any in the Government service.

Doctor WALKER. I admit that, but I do not think they are all great statisticians. I think the Bureau of Statistics might have a very good influence on the Bureau of the Census in some cases.

Mr. NORTH. I will not deny that for a moment. In other words, it would be beneficial to both.

Doctor WALKER. But my doctrine is that there ought to be some means for the general association of persons in the Department of Commerce and Labor who have to do with originating and planning statistical work—not simply chiefs of bureaus, but the men who come with plans to the chiefs of the bureaus. A great deal of the work in any big administration must necessarily originate with subordinates; and those men ought to come together.

The CHAIRMAN. There is nothing to prevent that now.

Doctor WALKER. Well, they do it privately to a certain extent.

Doctor NEILL. Do you distinguish between the problems that are presented in the statistical presentation of matter collected and the problems presented in the original study of what you want to get at and how you want to get at it?

Doctor WALKER. I think that is the most important part.

Doctor NEILL. Do you think that adding nine men who do not know anything about the original subject, on the statistical end of it merely, is a very great advantage?

Doctor WALKER. That is a point I was trying to get in, in answer to Mr. North—that these eleven men, or whatever they are, may help in the way of general judgment on effective presentation, and all that sort of thing; but, after all, on the treatment of a subject, the man has to know the subject. He has to be very well acquainted with the details of the subject he is handling to treat it successfully in the statistical way, or in any way.

Mr. NORTH. We all concede that, Doctor Walker.

Doctor WALKER. And I think for that very reason you want to get a lot of experts who can specialize on things, and have a bureau which can specialize on things. If you try to have a large factory production, you might say, of statistics, you are going to get pretty poor statistics. You may get it out very cheaply and in large quantities, but it is like manufacturing everything else—it has not the same quality.

STATEMENT OF DR. GEORGE C. HAVENNER,*Chief, Division of Printing, Department of Commerce and Labor.*

The CHAIRMAN. Doctor Havenner, what has been your experience?

Doctor HAVENNER. My experience has been devoted to Government publication work. It has been practically a life work with me. I have spent something over twenty years at it—fifteen years in the Government Printing Office, two years in the Bureau of Statistics, and since April, 1903, in the Department of Commerce and Labor.

The CHAIRMAN. You are familiar with the publications of the Bureau of Statistics, are you, especially as they come under your eye as Chief of the Printing Division?

Doctor HAVENNER. My study of the publications of the Bureau of Statistics has been from the viewpoint of the publisher, and whatever suggestions or recommendations I have made in the past or may make now are from that standpoint. I am not a statistician in any sense of the word, nor an economist or sociologist. The regular publications of this Bureau are of two classes, monthly and annual. The monthly publications are—

"Total Values of Imports and Exports of the United States." This is a 2-page leaflet showing the total values of imports and exports of merchandise and gold and silver for a given month, for some two or three years, and a series of months for the same years. This leaflet is sent to the printer about the 12th of the month and is ready for distribution usually on the 13th.

"Exports of Domestic Breadstuffs, Meat, and Dairy Products, Food Animals, Cotton, and Mineral Oils from Principal Customs Districts of the United States." This statement is a 12-page pamphlet, and is sent to the printer about the 10th of each month, and is usually received on the 13th for distribution.

"Advance Sheets Showing Details of Imports and Exports by Articles and Countries." This statement is, as the name implies, advance figures of imports and exports of merchandise, by months, for the latest two years, and a series of months for the latest three years. It is printed in advance of the Monthly Summary, and the same type afterwards corrected and used in the Monthly. It is usually sent to the printer on the 25th of the month and is delivered to the Bureau on the 27th or 28th.

"Internal Commerce of the United States." The copy for the internal-commerce statement is sent to the printer about the 25th of each month, and the pamphlet is ready for distribution about the 10th or 12th of the following month. This statement forms a part of the Monthly Summary, but is issued as a separate publication several days in advance of the Summary.

"Monthly Summary of Commerce and Finance of the United States." This statement consists of four sections: "Foreign commerce of the United States;" "Commerce between the United States and noncontiguous territories, and between the said territories and foreign countries;" "Internal commerce of the United States." and "Miscellaneous tables." It is usually sent to the press on the 10th of the month and is ready for distribution about the 15th.

It will thus be seen that the advance sheets are issued about fifteen days in advance of the regular monthly statement, and that the internal

nal-commerce section is ready for distribution two or three days in advance of the Summary.

The annual publications of the Bureau consist of the Report on Commerce and Navigation, a 1,300-page publication, census size, and the Statistical Abstract of the United States. In addition to the above publications the Bureau issues from time to time monographs on various subjects.

The CHAIRMAN. When you became chief of our Printing Division you found that the printing bill of the Bureau of Statistics was pretty heavy, and you directed your attention toward economies in that direction, did you not?

Doctor HAVENNER. Yes, sir.

The CHAIRMAN. How much were they spending for printing when you became chief of the division?

Doctor HAVENNER. About \$146,000 a year.

The CHAIRMAN. And how much are they now spending?

Doctor HAVENNER. A little over \$74,000 last year.

The CHAIRMAN. So that you practically saved about \$70,000, and did you hurt their publications at all?

Doctor HAVENNER. I think they have been improved.

The CHAIRMAN. That was testified to the other day. You improved them; and you are not a statistician at all, are you?

Doctor HAVENNER. No, sir.

Mr. NORTH. Are you sure about that?

Doctor HAVENNER. Yes, sir.

Professor WILLIS. How have you improved them?

Doctor HAVENNER. By avoiding duplication, and by suggesting a regrouping of certain of their tables by classes.

The CHAIRMAN. Do you think it is practicable to consolidate the Bureau of Statistics with the Bureau of the Census, or do you care to express an opinion on that?

Doctor HAVENNER. To the question as a whole I would answer in the negative; but I would say, in part, yes. Now, if I may be allowed, I would like to review the publications of the Bureau of Statistics for a few moments.

The CHAIRMAN. We are pretty familiar with them, Doctor.

Doctor HAVENNER. I know you are.

The CHAIRMAN. I do not think that the committee wants anything but your opinion.

Doctor HAVENNER. To answer your question I would say, in whole, no; in part, yes. My reason for answering the question as a whole in the negative is that I do not believe we should confuse our statements of foreign trade with internal statistics. The Bureau of the Census deals entirely with things internal; it gathers, compiles, and publishes statistics relating solely to things internal. Further, I believe that our statistics of foreign trade should be kept entirely distinct from census statistics if for no other reason than an historical one. From this standpoint alone they are of great importance, as they show to a large extent the growth of our country.

There is, however, a certain part of the work now done by the Bureau of Statistics that might well be transferred to the Census, namely, the Statistical Abstract of the United States and the Internal Commerce Division.

The Statistical Abstract is, in my opinion, one of the most important statistical reference books published by this Government. There are 12,000 copies of this publication printed annually. While I consider it one of the most valuable publications of the Government, yet it is faulty in some respects. This has been so clearly set forth by one of the preceding witnesses, Mr. Jacobson, that it is hardly necessary for me to refer to it at this time. My reason for saying that it might well be transferred to the Bureau of the Census is that it represents, so far as I am aware, no original work; in other words, the figures published in the Abstract are taken from other publications, either governmental or private.

My reasons, briefly stated, for saying that the internal-commerce work might be transferred to the Bureau of the Census are: First, it deals entirely with internal or domestic trade movements; second, the Census decennially compiles a statement somewhat similar. It would therefore seem that the office that makes the decennial statement might compile the monthly and annual statements, in order that they should agree.

Professor WILLIS. Doctor Havenner, have you any relation now to the printing done by the Census Office or not?

Doctor HAVENNER. None.

Professor WILLIS. But the printing of the Bureau of Statistics does pass through your hands?

Doctor HAVENNER. Yes, sir.

Professor WILLIS. And also that of the Bureau of Manufactures?

Doctor HAVENNER. Yes. I will except the consular and trade reports.

Professor WILLIS. Why is there this distinction between the printing? This is just for my information, in connection with this question of duplication. Why does not the printing of all the Bureaus pass through your hands?

Doctor HAVENNER. That is a question that has been gone over, I think, many times before in the Department. It is partly one of administration and partly one of legislation.

Mr. NORTH. Let me supplement that answer. The printing of the Department, like the printing of all the Departments, is under the printing act of 1895, which limits the size of the editions of the various reports. The printing of the Census Office was taken out of the operation of the act of 1895 for the reason that the editions of very many of its reports must necessarily be so large that the act of 1895 can not apply to them. For instance, we print twice a month 40,000 copies of the semimonthly cotton report; and if the Census printing were under the operation of the act of 1895 the usefulness of the Bureau would be very largely reduced.

Professor WILLIS. That gives me some information I never had before. In that connection I would like to ask Doctor Havenner whether, theoretically, if all the printing passed through the hands of some one editor—whether that editor were in the Census Bureau or were yourself or some other—all this duplication which is now said to exist could not be knocked out or provision be made for cutting it out?

Doctor HAVENNER. I will answer that question by saying that there is absolutely no duplication between the work of the Bureau of the Census and that of the Bureau of Statistics at the present time.

Professor WILLIS. There is not any?

Doctor HAVENNER. There is no duplication.

Professor WILLIS. I think some of the witnesses have either stated or intimated broadly, have they not, Mr. Chairman, that there was?

The CHAIRMAN. They directed their argument to duplication in general, but I do not know whether they have made the specific statement or not.

Professor WILLIS. This is very interesting. I want to know just how far there is any duplication.

Mr. NORTH. Doctor Havenner is quite right. There is no duplication. However, Doctor, is there some affinity between the work of the Bureau of Statistics and the work of the Bureau of Manufactures in connection with the consular reports?

Doctor HAVENNER. A very close affinity.

Mr. NORTH. They handle the same subjects in many ways, do they not?

Doctor HAVENNER. Yes, sir.

Mr. NORTH. There is more or less duplication there, is there?

Doctor HAVENNER. A constant duplication.

Mr. NORTH. Is there more or less conflict of statement between the publications of the two Bureaus?

Doctor HAVENNER. There is frequent conflict.

Professor WILLIS. Has that increased since the consular reports were transferred to the Bureau of Manufactures?

Doctor HAVENNER. Yes.

The CHAIRMAN. I may say that Doctor Havenner does not now have charge of the printing of the consular reports, under an order of Secretary Metcalf. Those formerly went through Doctor Havenner, but at the request of the Chief of the Bureau of Manufactures they were taken away from him; although a proposal to change them back again is now being considered.

Mr. NORTH. Doctor, in view of the fact you have just stated, would it not be possible to greatly improve the situation if the publication of the two Bureaus of Statistics and Manufactures were brought into closer relationship to each other?

Doctor HAVENNER. As the work of the Bureau of Manufactures is so much closer to the work of the Bureau of Statistics than is the work of that Bureau to the Bureau of the Census, the ideal organization, in my opinion, would be the consolidation of these two Bureaus into one, to be known by some such name as has already been suggested by previous witnesses, either "Bureau of Commerce" or "Bureau of Foreign Commerce." One of the main reasons that induces me to suggest the consolidation of these two Bureaus under one head is the fact that the publishing of statistics upon identical subjects, but at great variance with one another by two bureaus of the same Department brings discredit upon that Department. For instance, our consular reports, as published from day to day and from month to month, are brim full of import and export statistics, many of which, I regret to say, are not in keeping with the official returns as published by the Bureau of Statistics. Take the Commercial Relations, published by the Bureau of Manufactures, and the annual volume of Commerce and Navigation, published by the Bureau of Statistics. These two volumes deal, to a large extent, with ver-

similar subjects, and where figures of imports and exports are used in either the Commercial Relations or the Consular Reports they should agree with the official returns of the Government, as published by the Bureau of Statistics.

Another reason why the Bureau of Manufactures and the Bureau of Statistics should be consolidated is that both of these bureaus are building up extensive libraries, many volumes of which are and will be duplicates. It may be advanced that the library of the Bureau of Statistics and the library of the Bureau of the Census are of the same character. This may be true, but if there is a clear line of demarcation between the work of these statistical Bureaus much of this duplication could be avoided, while with two bureaus the work of which is so closely related as that of the Bureau of Statistics and the Bureau of Manufactures, acting as independent organizations, it would be impossible to avoid this duplication.

The CHAIRMAN. With regard to the Statistical Abstract, as a question of bookkeeping pure and simple—and I mean the contents of it, of course—why could not that be transferred to the Bureau of the Census?

Doctor HAVENNER. I know of no reason why it could not be transferred to the Bureau of the Census.

The CHAIRMAN. Can you think of a single reason why it should not?

Doctor HAVENNER. I do not recall one reason why it should not be transferred to the Census.

The CHAIRMAN. Is not that the logical place for a Statistical Abstract?

Doctor HAVENNER. I think so.

Doctor NEILL. If the committee plan were adopted, what would be left for the Census to do?

Doctor HAVENNER. There would be very much left for the Census to do in the outlining of the general form and arrangement and the gathering of material from private sources to embody in the Abstract. All of the material published in the Abstract is not taken from Government publications. Much of it is taken from private sources. There should be some head to direct the gathering of this class of matter for the Abstract.

The CHAIRMAN. What do you think of the policy, Doctor Havenner, of taking private estimates and private publications and stamping them with the official stamp of the Government?

Doctor HAVENNER. I am not in favor of it myself; but in a book that is compiled as a reference work—a handbook—I see no great objection to it.

Doctor NEILL. I was just going to ask that same question. Do the things compiled from private sources form part of the presentation of the same subject?

Doctor HAVENNER. No; they are on different subjects.

Doctor NEILL. Would it not be possible, then, to make two separate divisions of the Abstract, one compiled from private and one from Government sources?

Doctor HAVENNER. I think it would be better to make three separate divisions, and embody certain foreign statistics under a separate division.

Doctor NEILL. I quite agree with you that taking private statistics and putting the authority of the Government stamp on them is vicious.

The CHAIRMAN. We have gotten your ideas on the Statistical Abstract, Doctor. Let us now go another step and take up the Monthly Summary of Commerce and Finance. The same machinery would be available in the Census Office that there is now, would it not?

Doctor HAVENNER. Assuming the organization were the same, yes. -

The CHAIRMAN. Then why can not the Census Office publish that as well as the Bureau of Statistics, the personnel and everything being the same?

Doctor HAVENNER. The Census Office could publish it the same as is now being done by the Bureau of Statistics; but I do not believe that we should confuse statistics relating to our foreign trade with things internal. The Census Office deals with things internal, while the Bureau of Statistics deals exclusively with foreign trade.

The CHAIRMAN. Supposing it establishes a Division of Foreign and Domestic Commercial Statistics?

Doctor HAVENNER. There is an element of administration that enters into it that can not be well expressed in words. There is the supplying of collectors of customs, who furnish these statistics, with certain supplies from time to time throughout the year, and a close consultation—

The CHAIRMAN. I am following your argument, but give us something really important. Do not give us something that can be done in one place as well as another. Give us some big reason.

Professor WILLIS. Would not this be a reason? Would not the transfer to the Census Bureau of statistics representing a continuous process, as has been mentioned by some of the previous witnesses, be a radical change in the character of that Bureau, inasmuch as it is now given to the collection of census statistics, which are a cross section, as some one has termed it?

Mr. NORTH. Pardon me. The question is evidently founded upon a misapprehension. A great deal of the census work is exactly of that current kind, from day to day.

Professor WILLIS. Is it census work, then?

Mr. NORTH. It is the work that we are doing. Take the work of vital statistics, for instance. That is the daily transcription of records of the health officers of all the cities in the country.

The CHAIRMAN. Right here I wish you would enumerate all the statistics that come under that head.

Mr. NORTH. We are doing vital statistics, which is nothing in the world but the identical method by which the work of the Bureau of Statistics is conducted. We are doing the cotton, which is, during the cotton growing season, daily work.

The CHAIRMAN. And that runs over nine months of the year; so it is practically continuous.

Mr. NORTH. Yes. Then we are doing the annual work of statistics of cities, which is nothing in the world but a transcription of the financial and other records of the 175 cities which come within the class that we cover. Then we are also doing, under special act of Congress, the work on marriage and divorce, which is a transcription of the records of the courts of the country on those subjects. We are

also doing the work on criminal judicial statistics, which is another case of that identical character. It is a transcription of the records of the courts of the country. Then we do still other work, which is the report on the special classes, the insane, the paupers, the feeble-minded, etc., which work is a transcription of the records of the institutions of the country containing these special classes of unfortunates. That substantially completes it.

Professor WILLIS. In view of that, I should like to have Doctor Havenner's answer to that question.

The stenographer read the pending question, as follows:

Professor WILLIS. Would not this be a reason? Would not the transfer to the Census Bureau of statistics representing a continuous process, as has been mentioned by some of the previous witnesses, be a radical change in the character of that Bureau, inasmuch as it is now given to the collection of census statistics, which are a cross section, as some one has termed it?

Doctor HAVENNER. I do not see why that would be a radical change in the Bureau. I can not see that. But I do not believe that we ought to confuse our foreign statistics with statistics relating to purely internal affairs. I think they are too important even from a historical standpoint, if from no other.

The CHAIRMAN. How would they be confused? I agree with you on the proposition; but the question is, would that result?

Doctor HAVENNER. I do not know that it would result.

Mr. NORTH. I do not see how it could possibly result.

Thereupon, at 11.40 o'clock a. m., the committee adjourned until tomorrow, Friday, October 18, 1907, at 9.30 o'clock a. m.

SEVENTH DAY.

FRIDAY, *October 18, 1907.*

The committee met at 9.30 o'clock a. m. in the office of the Assistant Secretary of Commerce and Labor.

Present: Messrs. Murray (chairman), North, Austin, and Willis.

At the request of Mr. North, the report of a subcommittee to a main statistical committee appointed by the first Secretary of this Department, Mr. Cortelyou, on the question of statistical reorganization in the Department of Commerce and Labor, is made a part of the record in the matter now before the present committee, all the members of the latter committee present agreeing that the report is germane to the subject under consideration.

The report is as follows:

REPORT OF THE SUBCOMMITTEE TO THE STATISTICAL COMMISSION.

In considering the question of the functions and field of the new Bureau of Manufactures, the subcommittee is confronted by the fact that the duties of this Bureau, as defined in the act of February 14, 1903, creating the Department of Commerce and Labor, encroach directly and seriously upon the functions of existing bureaus in the same Department, as also defined by law. Under the provisions of section 5 of this act, the province and duty of the Bureau of Manufactures is "to foster, promote, and develop the various manufacturing industries of the United States, and markets for the same, at home

and abroad, by gathering, compiling, publishing, and supplying all available and useful information concerning such industries and such markets, and by such other methods and means as may be prescribed by the Secretary, or provided by law."

A part of this province, that of gathering, compiling, and publishing all available and useful information concerning the manufacturing industry of the country, is largely committed by law to the Census Office, which is required to take a complete census of manufactures in the year 1905, and every five years thereafter. It is clear to the committee that the Census Office, with its large clerical force, its organized field service, its expert agents, and its experience in this work, can gather, compile, and publish this information more efficiently and satisfactorily than any other bureau of the Government, organized with other objects more specifically in view.

Under the act of June 13, 1888, establishing the Department of Labor, it is made a part of the duty of the Commissioner of Labor, "to establish a system of reports by which, at intervals of not less than two years, he can report the financial condition, so far as production is concerned, of the leading industries of the country."

The Bureau of Statistics is charged to "collect, digest, and arrange the statistics of manufactures of the United States, their localities, sources of raw materials, markets, exchanges with the producing regions of the country, transportation of product, wages, and such other conditions as are found to affect their prosperity."

It will thus be seen that four of the bureaus in the Department of Commerce and Labor are charged with practically the same duty, that of collection, compiling, publishing information regarding the manufacturing industries of the country.

It is obvious to your committee that the Congress did not intend that those similar functions should be thus distributed, in this sweeping manner, to four separate, and in a sense, independent bureaus; and that it is intended that the Secretary of the Department should carefully segregate and divide the work of all the bureaus, along harmonious and scientific lines, so that the work of neither shall overlap that of any other. This is shown by the provision of the law under which the Secretary is authorized "to rearrange the statistical work of the bureaus and offices confided to said Department, and to consolidate any of the statistical bureaus and offices transferred to said Department."

The efficiency of the service will be promoted by intrusting this entire function of gathering and compiling the statistics of manufactures, now assigned to four bureaus, to one bureau, and that the Census Bureau, which is especially organized and equipped for this particular work. Any other bureau of the Department, or of the Government, desiring in its work any especial statistical inquiry or information regarding domestic manufacturing industries, or regarding any phase or branch of industry, can obtain the information more quickly and more accurately, by calling upon the Census Office to procure the same, for its use and dissemination.

In a word, it is the judgment of the committee that the gathering of all statistical information regarding domestic manufactures, from original sources, and which thus requires the agency of a field force, can be advantageously concentrated in the Census Office, the bureau already established and equipped for that purpose only.

The single exception to this rule is offered by the Bureau of Labor, whose inquiries relate to special phases of industrial development or conditions, and are based upon information secured from typical establishments. The limited amount of field work required by the Bureau of Labor is not carried on by the census method, or method of complete enumeration, and should remain wholly under the control and jurisdiction of the Bureau, in order to secure the highest efficiency and an undivided responsibility.

The adoption of this recommendation will result in concentrating all inquiries addressed to manufacturing establishments for statistical information regarding their business in one bureau of the Department and in their conduct by uniform methods and schedules. It will thus avoid any duplication of inquiry, and will relieve these establishments of the annoyance of responding to frequent requests for information along lines which are more or less cognate and similar. It will be an orderly distribution of Government work most effective for the best results.

The second distinct function of the Bureau of Manufactures defined in the law, has to do with markets for American manufactured products; and in this

field the work of the new bureau will be largely dependent upon and inseparable from the work of the Bureau of Statistics, with which the Bureau of Commerce of the State Department is to be consolidated after July 1.

Indeed, it is apparent to the committee that the most important agencies and sources of information open to the Bureau of Manufactures will be those now controlled by the Bureau of Statistics and the Bureau of Commerce, and the handling of which constitutes the chief reason for their existence.

The Bureau of Foreign Commerce, consolidated with the Bureau of Statistics after July 1, handles all the commercial reports of the United States consuls transmitted to the Secretary of State; and it is a fair inference that the lawmakers intended, when they merged the Bureau of Commerce in the Bureau of Statistics, to transfer to the latter the supervision and control of these consular reports. We draw this inference notwithstanding the fact that section 5 of the act creating the Department of Commerce and Labor, being the section which establishes the Bureau of Manufactures, contains this concluding paragraph:

"And all consular officers of the United States, including consuls-general, consuls, and commercial agents, are hereby required, and it is made a part of their duty, under the direction of the Secretary of State, to gather and compile, from time to time, useful and material information and statistics in respect to the subjects enumerated in section three of this act in the countries and places to which such consular officers are accredited and to send, under the direction of the Secretary of State, reports as often as required by the Secretary of Commerce and Labor of the information and statistics thus gathered and compiled, such reports to be transmitted through the State Department to the Secretary of the Department of Commerce and Labor."

The "subjects enumerated in section three" include "foreign and domestic commerce, the mining, manufacturing, shipping and fishery industries, the labor interests, and the transportation facilities of the United States;" and it therefore seems a fair conclusion, since many of these subjects are beyond the specifically defined functions of the Bureau of Manufactures, that the lawmakers intended the reports of consuls to be sent, as heretofore, to the Bureau of Foreign Commerce after it became a part of the Bureau of Statistics.

However that may be, it is certain that these consular reports must continue to be a main reliance for information regarding foreign markets, and that the Bureau of Manufactures can not properly discharge its functions without access to and control over these reports, and without the authority to originate and determine, under the direction of the Secretary, the special instructions to be transmitted to the consuls regarding the reports they are to make under the provision of law above quoted.

The intelligent and well-directed handling of the information regarding foreign markets obtainable through the agency of the consular service appears to require that it shall be intimately associated with a second important official source of information regarding these markets. This second source is the statistics of the exports and imports of the United States. The most accurate and definite knowledge we possess of the character of our products sent abroad and the countries in which each class of exports find their chief markets comes from these statistics of our foreign trade, as returned by the customs officials of the Government.

All these data, vast and complicated in character, are now handled by the Bureau of Statistics, which was established for that special purpose, and is fully and efficiently organized for the work.

In the discharge of its function this Bureau compiles and publishes detailed information regarding the imports of raw materials required by domestic manufactures, and the countries whence imported; regarding the quantity and value of the imports of all varieties of foreign manufactured goods, and the countries whence they come; regarding the exports of all the products of the United States, whether from the farm, the forest, the mine, or the mill, and the countries to which they are sent. It thus supplies, from month to month, a valuable index of the activity, or otherwise, of the domestic manufacturing industries, and the countries in which each industry is finding a market for its products. All this information is now compiled and published in monthly, semiannual, and annual reports of the Bureau of Statistics, which have been long established, and which have been gradually improved and perfected. This special information will be absolutely essential, at first hand, to the Bureau of Manufactures, in the proper discharge of the duties and

by the law, because the most accurate and trustworthy information regarding our foreign markets is necessarily brought to light in the collection, compilation, analysis, and study of these statistics. The work of such a bureau can only be properly carried on in the closest association and collaboration with the study and analysis of the statistics of imports and exports. The two fields are one and inseparable, and any attempt to divide them between two bureaus of the Department would necessarily result in constant confusion, friction, and duplication.

One of the chief purposes of Congress in transferring these two bureaus to the new Department was to prevent duplication of statistical work regarding our foreign trade. The result of maintaining a Bureau of Manufactures, side by side with the Bureau of Statistics, will necessarily be to create the duplications which this commission was appointed to minimize and prevent. It seems inevitable that two bureaus engaged in work so nearly identical must be constantly at cross purposes with each other and that much duplication of printed and statistical material would necessarily follow. The committee is unable to draw any line of division between the work of these two bureaus so clearly and sharply defined as to obviate the constant recurrence of these difficulties.

The committee therefore recommends that the commission report to the Secretary that the Bureau of Statistics, with which is consolidated the Bureau of Foreign Commerce, be consolidated with the new Bureau of Manufactures, thus making one bureau, instead of three, said bureau to be renamed the Bureau of Foreign Commerce.

An additional reason for the consolidation recommended is furnished by an examination of the organic law creating the Bureau of Statistics. It appears from this law, and from the several reenactments of it in the Statutes at Large, that it was the original intention of Congress, in establishing the Bureau of Statistics, to assign to it many of the functions which are intended to be exercised by the new Bureau of Manufactures. The following extracts from the United States Revised Statutes, sections 335-342, are quoted to sustain this view:

"SEC. 335. The purpose of the Bureau of Statistics is the collection, arrangement, and classification of such statistical information as may be procured, showing or tending to show, each year the condition of manufactures, domestic trade, currency, and banks of the several States and Territories.

"SEC. 336. The Chief of the Bureau of Statistics shall, under the direction of the Secretary of the Treasury, annually prepare a report on the statistics of commerce and navigation of the United States with foreign countries to the close of the fiscal year. Such accounts shall comprehend all goods, wares and merchandise exported from the United States to other countries; all goods, wares, and merchandise imported into the United States from other countries and all navigation employed in the foreign trade of the United States, which facts shall be stated according to the principles and in the manner hereby directed. * * *

"SEC. 338. The annual report of the statistics of commerce and navigation shall state the kinds, quantities, and values of the merchandise entered and cleared coastwise into and from the collection districts of the United States.

"SEC. 339. The Chief of the Bureau of Statistics shall, under the direction of the Secretary of the Treasury, prepare and publish monthly reports of the exports and imports of the United States, including the quantities and values of goods warehoused or withdrawn from warehouse, and such other statistics relative to the trade and industry of the country as the Secretary of the Treasury may consider expedient. * * *

"SEC. 342. The Chief of the Bureau of Statistics shall collect, digest, and arrange for the use of Congress the statistics of the manufactures of the United States, their localities, sources of raw material, markets, exchanges with the producing regions of the country, transportation of product, wages, and such other conditions as are found to affect their prosperity."

Much of the field thus specifically assigned by law to the Bureau of Statistics has now been assigned by law to the Bureau of Manufactures, and the two fields as thus defined, are so closely identical that it seems both unnecessary and undesirable, in view of the large discretion confided in the Secretary, to attempt to make such a division, or to maintain two bureaus with functions which are the same to all intents and purposes.

The proposed Bureau of Foreign Commerce will become, under such a consolidation, a more dignified and important bureau of the Department than either

of the two bureaus would be as separate organizations. Its chief will naturally divide its work into divisions, to which will be committed the several branches of the work which can be harmoniously carried on without overlapping when all of this work is under the immediate eye and control of a single bureau chief.

One of these divisions, which would be the Division of Trade Statistics, would discharge the main duties now performed by the Bureau of Statistics, namely, the compilation of the export and import returns.

Another division, which might perhaps be called the Division of Foreign Commerce, would handle the consular reports and the other sources of information regarding foreign commerce and its extension into new markets.

A third division—perhaps the most important—which might be called the "Division of Publicity and Information," would, naturally, handle all the new work originally contemplated by the act of Congress in that provision of the law which establishes the Bureau of Manufactures. The field of this division will necessarily be a matter of growth, but that its function will gradually develop in important directions is not to be doubted. It will become at once a bureau of information for the general public.

All of which is respectfully submitted.

CARROLL D. WRIGHT.
S. N. D. NORTH.
O. P. AUSTIN.

STATEMENT OF MR. WORTHINGTON C. FORD,

Former Chief of the Bureau of Statistics when it was a Bureau of the Treasury Department, now Division Chief, Library of Congress.

The CHAIRMAN. Mr. Ford, will you give us your full name and the experience which you have had in statistical work?

Mr. FORD. My full name is Worthington C. Ford. I was chief of the Division of Statistics in the Department of State for four years and chief of the Bureau of Statistics in the Treasury for four years and a half. I was lecturer on statistics in the Chicago University for six weeks, one-half course. That is my practical experience in statistics.

The CHAIRMAN. You were Chief of the Bureau of Statistics, now of this Department, when it was in the Treasury Department?

Mr. FORD. Yes.

The CHAIRMAN. You are somewhat familiar, of course, with the publications of the Census Office?

Mr. FORD. Yes, sir.

The CHAIRMAN. Do you think it would be a practical thing to do and in the interest of good administration to consolidate, in whole or in part, the Bureau of Statistics with the Bureau of the Census?

Mr. FORD. I should say that if the work of the present Bureau of Statistics is divided it would be in the interest of economy and efficiency; but there is one point that would seem to be difficult. As it is now, the Bureau of Statistics deals with three branches—the statistics of commerce, import and export, some Treasury financial statistics (and in those I include also monthly quotations of prices), and the Division of Internal Commerce. So far as the internal commerce goes, the Census Bureau could do it very much better, having a wider field and wider connections, than the Bureau of Statistics. I think that that work can be developed in the hands of the Census, they having the money, the force, and the connections which the Bureau of Statistics never could have. Thus far I believe it has been largely a matter of taking figures from other sources. The Census Bureau could have its own experts and could accomplish very much more and in very much better shape.

As to the Treasury or financial figures, in my day they were made quite a feature, because the currency discussion of the day created a demand for a certain compilation of figures brought together in a certain form. The movements of gold and silver, currency, and prices were all brought together to throw light on that currency discussion. But that condition is past. People are no longer generally interested in the political discussion of financial figures. So that can be eliminated.

The CHAIRMAN. I remember that particularly well, as I was in the Secretary's Office at that time, and I remember the many demands that were made upon you at that time as Chief of the Bureau of Statistics to make different combinations as to the movement of gold and silver and bullion of different kinds. You made tables for the Secretary at that time that were never made before, and I do not think have been made since. You were simply swamped with requests for different tables.

Mr. FORD. So those two branches, the internal commerce and the financial figures, I think could be lifted from the Bureau of Statistics and one put in the Census Office, and if the occasion ever arose for similar financial discussion either the Treasury or the Census Bureau could take that up again.

Now, as regards the figures of foreign commerce, of course all the returns are made up in the custom-houses. They are made up by a force over which the Bureau of Statistics has no control whatever. It is a force subject to the control of the collector of the port primarily and of the Treasury Department secondarily. We considered the statistical force in the New York Custom-House as a coordinate body rather than a subordinate body of the Bureau of Statistics. We merely took the returns that they prepared upon certain forms which were prepared in the Bureau of Statistics, and made up our monthly and annual tables from them.

Now, if that work of receiving returns and compiling them were taken from the Bureau of Statistics and placed in the Census Office, there would be no difficulty in making up the tables. I do not think that there would be any economy in it. You would have to have the same force, and I do not think it would result in any increased efficiency, because the Bureau of Statistics has always prepared its commercial tables well.

The CHAIRMAN. The Census Office would have just as much authority over the collectors, in case of a transfer, as the Bureau of Statistics now has?

Mr. FORD. Yes. In that case I think that if you eliminate everything except the commercial figures it would be an advantage. The commercial tables might still be a separate division of the Census Office, but I do not see how it would result in any economy. You would still have to have the same force. However, I see no objection to merging it with the Census Bureau.

The CHAIRMAN. On the question of good organization for a whole Department, do you not think it is better to concentrate statistical work where it can be concentrated or centralized, rather than to split up your organization into a great many subdivisions, where the work is similar in character?

Mr. FORD. Decidedly.

The CHAIRMAN. Then, on the question of good organization, assuming that there are some minor difficulties in the way of smoothing out and shaping the work after reorganization, do you or do you not think it would be worth while even in that event?

Mr. FORD. I should combine.

The CHAIRMAN. Don't you think it would be worth while to combine even if you have some difficulties to start with?

Mr. FORD. Certainly.

The CHAIRMAN. In order to bring about what I term a better theoretical organization of a big Department?

Mr. FORD. Yes; an organization that would prevent any duplication of work.

Professor WILLIS. Speaking of duplication of work, Mr. Ford, could you tell us more in detail where that is found?

Mr. FORD. It has been found again and again. I think that in the Department of Agriculture, for example, they duplicate the commercial figures in the exports and imports of the farm.

Professor WILLIS. I mean between the Bureau of Statistics and Census Bureau.

Mr. FORD. There is now no duplication.

The CHAIRMAN. We have had others say the same thing—that there is now practically no duplication.

Mr. FORD. The Bureau of Statistics in my day had to undertake a great many tasks for which it was not fitted.

Professor WILLIS. What do you think about the Statistical Abstract?

Mr. FORD. That was properly placed there at the time.

Professor WILLIS. But now?

Mr. FORD. But now it belongs to the Census. You see, the commercial statistics represent about one-third of the Abstract, do they not?

Mr. AUSTIN. About 50 per cent.

Professor WILLIS. We have had it testified here that the Statistical Abstract might very well be handled by an interdepartmental committee rather than by the Census Bureau. What do you think of that suggestion?

Mr. FORD. The Census Bureau has full ability and power to get all the information that is necessary. It is, after all, a mechanical compilation. There is no original work in the Statistical Abstract.

The CHAIRMAN. The argument of some of the people who came before us was, briefly, that the Statistical Abstract of the United States ought to represent every Governmental Department here in Washington; that as it is now it is somewhat topheavy with figures from the Bureau which publishes it; that all the Departments ought to have an equal amount of space, or enough space to bring out the figures which the public ought to know about each Department, and that therefore a committee representing every one of the Departments ought to meet together and apportion and harmonize the volume so that each Department would have a fair representation in it and it would not be topheavy from any Department or from any bureau.

Mr. FORD. That could hardly be, Mr. Murray, because there are very few departments that have so much of interest for the public as the Bureau of Statistics. In the statistical abstracts that are issued by foreign countries you will find the same tendency with regard to commercial figures.

Professor WILLIS. Then, you do not think that the Statistical Abstract is now overweighted with commercial figures?

Mr. FORD. I do not think it is.

Professor WILLIS. There are not too many of them?

Mr. FORD. No. They are, after all, the most important figures you can lay before the public.

Professor WILLIS. About the matter of internal commerce, was that division in existence during your headship of the Bureau of Statistics?

Mr. FORD. No; it was not. It started originally with Mr. Nimmo, and he reported on the railroad movement. That was before the institution of the Interstate Commerce Commission. When the Interstate Commerce Commission was created there was no more need of the Statistical Bureau continuing this work. I had in mind preparing internal commerce figures and laid the plan before the Secretary, but nothing came of it.

Professor WILLIS. Would not this properly go with the traffic work of the Interstate Commerce Commission wherever that may be—whether in the Interstate Commerce Commission itself or in the Census Bureau?

Mr. FORD. I hardly think that that could be, because the Interstate Commerce Commission would not report upon special commodities or quantities. If you introduce your uniform bill of lading it might be different.

Professor WILLIS. But they could easily handle water traffic, could they not?

Mr. FORD. Do they receive the figures from the army engineers?

Professor WILLIS. They could get them just as the Bureau of Statistics does, I suppose. What I am trying to get at is whether that is not the logical place for it?

Mr. FORD. I think you would find that the Interstate Commerce Commission would not undertake it. As it is, the figures are all based upon reports from local boards of trade, from army engineers, or from newspapers.

Professor WILLIS. And from collectors of ports on the lakes, I think.

Mr. FORD. Yes; the Census Bureau could do that perfectly well. The weakness, to my mind, of all that internal commerce is that it is confined to one locality. If I should want to make up a statement of the movement of tobacco, for example, I would not be able to make it up from the Bureau of Statistics figures. I would have to go all through their figures, which would include only, say, eight or nine central places. It would not give me any material for the total movement of the country.

The CHAIRMAN. In your opinion as a statistician, of what value are those figures on the movement of internal commerce when you can not rely upon them when you want them?

Mr. FORD. I think they are still inchoate.

The CHAIRMAN. Our Bureau of Corporations here has had occasion to take up the question of internal commerce in all of its investigations, and they find that none of the figures as collected by the Bureau of Statistics in internal-commerce matters are at all complete. Is not that true, Mr. Austin?

Mr. AUSTIN. That is true.

The CHAIRMAN. And they have simply had to discard them. Now, do you think that the Government is justified in spending money to collect internal-commerce statistics unless it can get such a bulk of them as to afford a reasonable basis for a fair deduction?

Mr. FORD. No.

Professor WILLIS. Don't you think that the movement of staple commodities, so far as traced by this division, is worth while?

Mr. FORD. I should say not, Professor Willis; because you can not tell what is wanting. You feel certain that there is some element wanting, but exactly what it is you do not know.

The CHAIRMAN. In other words, the Government is going to great expense in collecting, compiling, editing, and printing a lot of statistics, and then when the Government wants to use them itself it is obliged to throw them aside as absolutely incomplete and inaccurate?

Mr. FORD. Not only the Government, but individuals. I have never heard of anyone using the internal-commerce figures.

The CHAIRMAN. Your opinion, then, would be that if the Government touches that at all it ought to be on such a broad and comprehensive basis, and the statistics should be gathered from such a great variety of places all over the country that a reasonable degree of accuracy might be expected.

Mr. FORD. Yes.

The CHAIRMAN. Or it should not touch the subject at all?

Mr. FORD. Yes.

The CHAIRMAN. Of course, the Bureau of Statistics has only \$4,000, I think, with which to collect those figures.

Mr. FORD. It was never a sufficient fund.

Mr. AUSTIN. Of course, Mr. Chairman, the only advantage of those figures is that they show representative movements of a few great articles, and that record is to some extent a measure of the activity of commerce generally.

The CHAIRMAN. It is a question of the policy of the Department that I am after; whether or not we get a quid pro quo for the money expended. Probably we do so far as that is concerned, but I think that the Government ought to do a thing fairly well or not touch it.

STATEMENT OF MR. WILLIAM L. CROUNSE,

Washington Correspondent of a Number of Commercial and Trade Papers.

The CHAIRMAN. Mr. Crounse, will you give the stenographer your name and the names of the papers you represent here?

Mr. CROUNSE. My name is William L. Crounse. I am the Washington correspondent of a number of commercial and trade papers, like the Iron Age, in the iron and steel industry; the Oil, Paint, and Drug Reporter; the Tobacco Leaf; the Fur Trade Review, and others of a similar character.

I want to say, gentlemen, that I have no very deep-seated convictions with regard to what I understand to be your primary object, that is to say, the transfer of the Bureau of Statistics to the Census Bureau or its combination with the Census Bureau; but I wanted to say something with regard to a feature of the work of the Bureau of Statistics that has been touched upon by Mr. Ford. In fact, he has stolen some of my thunder.

The work of compiling the Statistical Abstract and other similar publications of the Bureau of Statistics might go almost anywhere. The Census Office would be as good a place as any for it. If you regard the customs statistics as primary statistics, the compilation of the Statistical Abstract is secondary work, and could be done anywhere on the basis of the figures furnished by Mr. Austin's Bureau. That is true also with regard to what has been referred to as the work of the Internal Commerce Division. I do not want to criticise the work of that division. Mr. Austin has been laboring with a very small appropriation. But it seems to me that unless Congress should give him far more money than it now costs to maintain the entire Bureau it would not be possible to do anything with the internal commerce in a broad way, so as to make it of any value to the business men of the country. The reports as now published are meager; they are far from comprehensive, either as to the commerce of any particular section of the country or as to the movement of any particular article throughout the country; and in my opinion the paper they are printed on is absolutely wasted.

Taking the last volume and the last issue of the Monthly Summary, I find 122 pages devoted to our foreign commerce and 67 pages to internal commerce. Now, those internal commerce figures are absolutely valueless. That is a pretty broad statement and a pretty strong statement; perhaps I ought not to go so far as that; but I will say that so far as I or the trades I represent have any occasion to use them they are almost valueless.

Take, for example, the movement of tobacco. Why, you find that between two certain points, for the eight months ending August, 1,000,000 pounds of tobacco was moved. Well, that is one-eighth of 1 per cent of the annual movement of tobacco in the United States, exclusive of the imported tobacco, which is very large. And so on down through. The figures which the Bureau is able to secure with regard to internal commerce come from all parts of the country, and it often happens that the most comprehensive and accurate figures are received from those parts of the country in which the movement of the particular article in question is of the least consequence. For example, you may get elaborate statistics with regard to the movement of tobacco from or to Minneapolis, whereas your figures with regard to Richmond are wholly wanting. So it seems to me that if the money that it costs to gather the material printed in these 67 pages of the Monthly Summary could be devoted to developing the foreign commerce statistics of the United States you would do the country a great good, and the business men of the country would be greatly obliged to you. You could not do a greater service in a statistical way.

I saw some time ago that the Statistical Commission proposed to simplify the foreign commerce figures. That frightened me. What the Statistical Commission ought to do is to amplify the foreign commerce figures. To-day you are gathering, through the collectors of the ports, a vast amount of valuable information, and owing to the fact that Mr. Austin has not the money, and because it would be a departure which perhaps he does not feel justified in making, they are buried until the end of the year. What goes into this Summary is only a fraction of the material which is furnished by the collectors *every month*. Is not that true, Mr. Austin?

Mr. AUSTIN. Yes.

Mr. CROUNSE. And if the money which is used for this internal-commerce work, and especially for its publication and circulation—because that, I imagine, is a large proportion of it; it is called rule and figure work, very expensive to print—could be utilized in developing these primary statistics (because I think the Government ought to spend its money in scattering as broadly as possible the figures which it gathers and which can not be had anywhere else) you would do a great work. The tobacco papers of the country furnish the trade with primary statistics, and the other papers throughout the other various trades do the same thing, and by the time this material reaches the people who are interested in it, it is about three or four months old and of very little value. But the collectors of customs are sending in every month detailed statements which the Bureau uses only to a very limited extent.

Let me give you an illustration. Up to last January, in the tobacco figures, the imports of cigar wrappers and fillers were stated in the aggregate separately—that is to say, the total for wrappers and the total for fillers—and then below, when it came to setting them out by countries of origin, they were aggregated; so that you could find out, for example, that during a certain length of time so many million pounds of wrappers and so many million pounds of fillers were imported, but when you went to look to see where they came from you would find that wrappers and fillers to certain quantities and values were imported from Germany, Turkey in Europe, and so on. Now, that conveyed absolutely no information to the tobacco trade. There were perhaps, taking the figures and the totals, a dozen or fifteen calculations under that head. Last January the wrappers and fillers were differentiated by countries of origin, and the result is that to-day you have a flood of light on that movement, and any man in the business can find out from an examination of the Summary just exactly what is doing in the tobacco trade. The importance of that can not be overestimated. Of course, I do not expect you gentlemen to appreciate it quite as much as I do, because I am called upon almost every day to furnish some one in the trade with statistics, and it has been only recently that it has not been necessary to go down and ask Mr. Austin to make me up a special table, because of the fact that these figures were not furnished in the Summary.

Take, for example, imports of wrappers. Those we bring into the United States are almost all two or three top grades of Netherland tobacco; and yet it frequently happens that there will be a large consignment imported by way of a German port. That tobacco will be entered up here as having originated in Germany. Well, when you see from this report that there were imported from Germany a million pounds of tobacco during a certain month, the man who is in the business is disturbed; he does not know what it means. He can not imagine that that was filler tobacco, and yet he does not know but it may have been. And if you were to bring in a million pounds of filler tobacco from Germany and put it down in New York it would cause a positive sensation in the trade. And with everything beautifully in the air, as it was before, the figures were never relied upon and were of no value. Now, you see, according to this statement here, the cigar-wrapper leaf was imported from the Netherlands, from Germany, and from British North America. Now, we know that they do

not grow wrapper leaf tobacco in British North America; we know that they do not grow it in Germany; but inasmuch as that was all wrapper, we know it originated in the island of Sumatra and was sent up and sold at the annual inscriptions in Amsterdam, and was probably imported into America through those ports.

That is simply an illustration. The other day I had occasion to apply to the Bureau of Statistics for the quarterly report which they have made for me for some fourteen years on the importation and exportation of furs and furskins. I print that in the Fur Trade Review. The statisticians—I think the chief clerk, Mr. Whitney, told me that he was sorry, but it could not be furnished any longer, because the furs and furskins had been consolidated. I asked Mr. Austin about it and found that that had been done. It was done through a laudable effort at simplification. They had put together the raw material of the American manufacturer and the foreign finished products with which his output must compete; and those figures were absolutely valueless—worse than valueless; they were absolutely misleading.

MR. AUSTIN. Does that still continue, Mr. Crounse?

MR. CROUNSE. No. As soon as I made that report to Mr. Austin he instructed the clerks to restore the old form of table, and that is now in; but I think for one or two months the Summary contained the combined figures. Of course, as I say, they are worse than valueless.

MR. AUSTIN. Yes.

MR. CROUNSE. In that connection I want to say that whenever I have drawn attention to any of these things the Bureau has acted very promptly, and they have done the best they could with the money at their command. I should like to see Congress give them a great deal more money—not only to have them use the money that is now being used for the collection of internal-commerce statistics and the publication of those statistics, but give them money enough to put the Bureau on a first-class basis. It is a shame that these valuable statistics, which come rolling in there from the 15th to the 20th of each month, should all be buried until the end of the year, and even then not be fully explained.

There is a movement, for example, that would be very interesting to every one, of which we have no record whatever in the figures, either monthly or annually. Not long ago we annexed Porto Rico. Up to the time of the taking effect of the Foraker Act, which brought about free trade between the United States and Porto Rico, we had the export figures of Porto Rico, so that it would be possible to ascertain how many pounds of tobacco, for example, were shipped from Porto Rico to the United States, and what relation that export movement bore to the general exports to foreign countries. To-day you can not get those figures. You can find out the movement between Porto Rico and the United States, but the exports from Porto Rico into foreign countries are consolidated with those of the United States to foreign countries. The result is that for the first time in three years I was able to use last week a report which came up from some official down there, or some foreign consul, perhaps, in which that movement was shown; and it was exploited throughout the trade, and I have received a dozen letters of inquiry hoping that I *had further details* with regard to that movement.

To show you what a flood of light those figures shed upon that movement, I can say that up to the time the figures were abandoned, when the Foraker Act took effect, practically all the Porto Rican tobacco went abroad, and the cigars went abroad. Now, practically all that comes to the United States, both in cigars and in leaf; and if we only had the record of that by months all the way down the list, it would be exceedingly interesting and make a very important historical exhibit.

Mr. AUSTIN. You understand, of course, that there is an annual statement of the imports and exports of Porto Rican tobacco?

Mr. CROUNSE. Yes. Now, the Treasury Department, as perhaps Mr. North knows and Mr. Austin knows, is working at present with the hope of securing better trade designations on invoices. In the consulation of foreign invoices there has always been a great deal of difficulty in bringing the designation into line with the trade practice and at the same time in line with Mr. Austin's classification, and I do not suppose it will ever be possible to make a perfect alignment between them. But the Treasury Department is giving its instructions to the consuls throughout the world, through the State Department, and those designations are being improved every day. The valuation of articles which pay specific duties, and which is of no importance from the standpoint of the collection of the revenue, is also being attended to. You see the difference there. An article coming into the United States and paying an ad valorem duty must be correctly described as to value on the invoice. If it pays a specific duty the statement of quantity is all that is necessary for the collection of the duty; but from the trade standpoint, from the standpoint of the American manufacturer and importer, we want to know the value of those goods. And so our consuls are being instructed to improve those figures and they are doing so. They are cautioning the exporters to state their values correctly and suggesting that it will expedite the public business and be a good thing for all hands, and it is being quite generally done. The improvement in values I find throughout the entire importations of Europe more particularly, and to some extent from other countries. The result is that Mr. Austin's reports from the collectors are far more valuable than they ever were before, and there is all the more reason why they should be fully stated. To get down to a concrete proposition, I think that every article of any consequence that is mentioned in the Monthly Summary of Commerce and Finance should be differentiated by countries of origin and destination.

Mr. AUSTIN. In the Monthly Summary?

Mr. CROUNSE. In the Monthly Summary.

Mr. AUSTIN. Of course, they are in the annual.

Mr. CROUNSE. I understand that; but we do not care anything about the annual figures, Mr. Austin. They are historical. By the time we get around to the annual figures the movement is past. What we want is something that will be of immediate value. And if that could be done with regard to perhaps a hundred additional items—items in addition to those that are presented now—and they could be differentiated somewhat by qualities, it would be a great help. To come back again to the illustration of tobacco, to-day leaf tobacco is worth all the way from 6 cents to \$10 a pound. Imported wrapper

leaf is worth from \$2 to \$10 a pound, and filler from 20 to 30 cents; and when you bunch those things together you are producing confusion.

I want to say just one word about the transfer of the Bureau, with respect to the men who are to do the work. Whether it goes to the Census Bureau or stays where it is, or whether it goes back to the Treasury Department, where it belongs, in my humble opinion, the work ought not to be taken away from the experienced men who are now doing it. I saw, the other day, that Mr. Rossiter suggested the use of machines. Well, I have made a good many commercial statistics, and I do not see where machines could be used to any great advantage.

But what I do want to say is that, with reference to the handling and compiling of customs statistics, it is a specialty. The reports come to the Bureau from all the ports in the United States—from San Francisco and from Hawaii—and after they are received it is not possible to send them back for correction. You have got to make the best use of them on the spot. They are filled with errors; they are very hurriedly prepared; it is in the very nature of things that they should be full of errors. They are compiled from invoices which contain many errors, and those errors of course are perpetuated. The experts who handle them are able, by reason of their long experience and special knowledge, to detect transpositions and mistakes of all kinds, and they correct them, and they do it with astonishing skill; and when it comes to making an estimate I have been amazed at the accuracy with which those movements are shown. Sometimes there will be a difference of only a few dollars in the estimated quantities for a month and in the corrected quantities for the year; and that is so especially in the footings for comparative purposes from one year to the next, or over a seven-month period, etc. That is all important; and I hope that, whatever is done, the organization there will not be disturbed. They are experts; they are men who have been doing the work a long time and understand its peculiarities.

The CHAIRMAN. Do you make use of the advance sheets, Mr. Crounse?

Mr. CROUNSE. The advance sheets of the Bureau?

The CHAIRMAN. Yes.

Mr. CROUNSE. Oh, yes indeed—almost wholly. That is to say, you understand, Mr. Secretary, that the imports and exports and the foreign exports are issued in the same form exactly in the advance sheets that they are in the Monthly Summary; and, as I have said before, they are the primary statistics gathered by the Government which ought to be amplified. They are worth ten times as much as all the other statistics put together. They are of more value to the people of the United States, the business men of the United States, than the statistics gathered by any Government Department or Bureau, not excepting Mr. North's very valuable Census reports. That is in the nature of things, because his work comes in necessarily a year or so behind. His work is not a duplication, in any sense, of these figures, but these are the figures that the business men look to as soon as they can get them, and they can not get them too soon. If any way could be devised by which collectors could be induced to carry their figures along from day to day, and then—with the aid

of machines, if necessary—make their footings at the end of the month, and bring those statistics to Mr. Austin's Bureau a week or ten days earlier than at present, it would have a marked effect and would be very gratifying to everybody in the importing and exporting business.

Mr. NORTH. How long is it after the close of the month before you get hold of the figures for the month?

Mr. CROUNSE. From the 20th to the 25th we get the advance sheets covering the import and export movement of the preceding month.

Mr. NORTH. There is about twenty-five days' difference, is there?

Mr. CROUNSE. I should say about twenty-three or twenty-four days on the average.

Mr. NORTH. That time ought to be reduced at least one-half, ought it not?

Mr. CROUNSE. It all depends on the collectors.

Mr. NORTH. I understand that.

Mr. CROUNSE. The Bureau has a very complete system of compilation, and the figures are handled with great celerity as soon as they are received. Sometimes one collector, especially if it is at an important port, will delay the Summary several days. Of course, you can not go to press without the figures from an important port, although you can neglect a small port and, as I said before, estimate the amounts.

Mr. AUSTIN. It almost always happens that the last port arriving is New York. Their business there is, of course, very heavy; and, as Mr. Crounse says, it is impossible to go to press without it.

Professor WILLIS. What you say, Mr. Crounse, about the force is very interesting to me. It was suggested by Mr. Rossiter the other day that were these statistics transferred to the Census Bureau, there might be some economy or advantage in shifting the force down there back and forth as between these statistics and others. I understand from you that that would be very undesirable.

Mr. CROUNSE. With all respect to Mr. Rossiter, I should oppose that very strongly. This is a day of specialization, and the man who knows enough to handle customs returns ought not to waste his time on anything else.

Professor WILLIS. Then you would not say that these men in the Bureau were too highly paid?

Mr. CROUNSE. Highly paid?

Professor WILLIS. Yes. That point was made here.

Mr. CROUNSE. Oh, no. I do not think anyone in the Government service is too highly paid; that is to say, anyone doing any important work.

Professor WILLIS. I think the point was made here that about 50 per cent of the men there got more than a specified salary, whereas in the Census Bureau they were on a much more economical basis.

Mr. CROUNSE. With respect to that statement, you can of course hire computers to add up columns of figures for less money than you can employ experts to differentiate errors in customs reports. Mr. North has some very highly paid men there—that is to say, some fairly well paid men, and some very intelligent people doing the high class work of his Bureau; and he has to have a larger proportion of mere computers, I dare say, than Mr. Austin.

Professor WILLIS. That was the point I wanted to bring out. Now, there is one other thing occurs to me there. It seems to me your very interesting statement would indicate that it is a matter of minor importance whether this consolidation takes place or not; that the main thing is to keep the statistics on the best and most accurate basis, whether they go to the Census or remain where they are now.

Mr. CROUNSE. As I said, Professor Willis, at the outset, I have not any very deeply seated convictions with regard to the locale of this Bureau; but what I do want to emphasize is the importance of elaborating the primary statistics of the Government, which are worth more than all the compilations from trade papers and boards of trade that you can get together under a cover.

Professor WILLIS. Quite so; but the point I am making is that the consolidation which this committee has in mind would not result in doing that, necessarily.

Mr. CROUNSE. Not at all. I do not see that it has any bearing on the question whatever. I think I have said once that if I could have my way I would put the Bureau of Statistics back where it was before, in the Treasury Department. If the Bureau of Statistics were operating in connection with the customs division—which ought to be a bureau—in the Treasury Department, you would have a logical arrangement. The collectors are working at this moment under the instructions of the customs division of the Treasury Department, and they could make their reports more valuable than they are now under direct instructions from the Treasury. There ought to be a correlation, it seems to me, between the work of the Customs Bureau and the Bureau of Statistics, because they are handling the same men and dealing with the same class of work.

Professor WILLIS. I have just one other point, and then I will not trouble you further. How do you think the commercial public would view such a consolidation—favorably or the reverse?

Mr. CROUNSE. I do not think they would care much about it. I do not think it would make very much difference.

The CHAIRMAN. The commercial public wants the results?

Mr. CROUNSE. The commercial public wants the results, Mr. Secretary; and if you were to say to them that they could get them five days sooner by putting it into the Census Bureau, they would rejoice. At the same time they would be skeptical if they looked into it at all. I think if you were to announce to them that you had carried the Bureau back to the Treasury Department they would be greatly pleased, for the reason that most of their business is with the Treasury, and they have great confidence in the skill and industry of the customs people.

The CHAIRMAN. What you said about subdividing and getting the actual movements, instead of bunching them together as it is done now, has been a very helpful suggestion to me.

Mr. CROUNSE. I am very glad, Mr. Secretary, if you have been at all impressed with that idea, because it is one thing that we ought to do. Half of these figures are valueless. As I said before, this is the age of specialization. If a man is making wire nails and barbed wire, he is only interested in two or three things—wire rods, wire, and wire nails. I do not happen to remember whether those things are specialized here, but if they are not all the statistics of the metal

schedule are valueless to him. He wants to know about those things in particular, and if you had room enough and time enough and money enough, and could reprint every single port return just as you get it, you would be doing good work.

Mr. AUSTIN. You recognize the fact, I think, Mr. Crounse, that we have increased very materially the number of articles in which we state details.

Mr. CROUNSE. I just mentioned, Mr. Austin, what you have done with leaf tobacco, and it is an exceedingly good thing.

Mr. AUSTIN. There have been a great many cases of that kind in which we have brought in new articles, stating the countries to which exported, in the last few years; but there is very great room, of course, for elaboration on that, except that whenever you do that you increase the amount of labor and decrease the promptness in getting out the reports, unless you greatly increase your force.

Mr. CROUNSE. Well, that should certainly be done.

Mr. AUSTIN. I quite agree with you.

Mr. CROUNSE. And the money that is now devoted to the so-called internal commerce might well be put out in that direction. To say that 4,000 bales of tobacco moved from St. Louis to Louisville last month is like saying that John Smith, of Alexandria, came up to Washington and bought a plug of tobacco. It is just about as significant with regard to the total movement of the country.

Mr. AUSTIN. Do you or do you not think that the monthly publications of the number of live stock received at a given number of interior centers month after month and year after year, for a long term of months and years, of the quantity of the various kinds of grain received at the same places year after year, and of iron-ore movements on the lakes, and other articles of that kind, which furnish the only available material for comparison of this year's business with that of other years, are valuable?

Mr. CROUNSE. Frankly, Mr. Austin, I do not. Take your wheat, for example. The wheat figures are printed locally before you get them, for people who are interested primarily in the movement, and the figures at the end of the year are available and have then only a historical value. The same way with your cattle, and the same way with your tobacco and various other things. And assuming that they have some small value, what I have said here has been comparative. That is to say, I have said that the money that goes for that work, which is necessarily incomplete and far from comprehensive, might better be spent for the other work. I would not say that any atom of information was absolutely valueless, no matter what it is, however incomplete or insignificant; but relatively the internal-commerce figures, as they can be had, are of very little value. I have endeavored to cooperate with the Bureau in improving the tobacco statistics, but it is not practicable.

Mr. AUSTIN. Take our record of movements of merchandise on the Great Lakes. Don't you think that is valuable?

Mr. CROUNSE. Well, but see how promptly those figures are all published in Buffalo, Detroit, Chicago, Duluth, etc. The people who are interested in that movement know it before you do. You may rely upon this, Mr. Austin, that the local newspapers will print every-

thing that the public wants with regard to commercial statistics at these points.

Mr. AUSTIN. But do you not think that the totalization of those things—the business of the lakes as a whole, and the opportunity therefore to compare trade conditions on the lakes with trade conditions at certain great centers this year or last or the ones preceding—is a means of measuring interior commercial conditions in the country, which you can not get in concrete form in any other way?

Mr. CROUNSE. Well, I would say that it might have some small value. I would not want to go beyond that.

Mr. AUSTIN. Of course, we all realize that all of these internal commerce figures, except those on the Great Lakes, are necessarily incomplete. But we have thought that they do furnish a sort of barometer of general business conditions, when you get them for as long a period as will enable you to compare conditions now with those of corresponding dates in previous years.

STATEMENT OF MR. JOHN BALL OSBORNE,

Chief, Bureau of Trade Relations, Department of State.

The CHAIRMAN. Mr. Osborne, what experience have you had in the matter of statistics.

Mr. OSBORNE. I might cite as a first instance my consular experience. I was United States consul in Belgium from 1889 to 1894, and in that capacity I had occasion to compile the foreign statistics for use in my trade reports. My next experience was as joint secretary of the Reciprocity Commission from 1897 to 1905. In that capacity I had frequent occasion to use the statistics of the Bureau of Statistics of the Department of Commerce and Labor—to compile them and use them for the assistance of the Commissioner, Mr. Kasson, in the negotiations. Since May 1905, I have been Chief of the Bureau of Trade Relations in the State Department, and have had still more frequent occasion to use the statistics of your Department.

Mr. NORTH. The Bureau of Trade Relations is the substitute for the Bureau of Foreign Commerce which formerly existed in the State Department?

Mr. OSBORNE. Yes, sir; it has succeeded to many of its functions. I might say that there are two branches of my official duties. One is to exercise editorial revision of the consular reports that are transmitted to the Department of Commerce and Labor for publication and to other Departments. The other function of the Chief of the Bureau of Trade Relations is to compile memoranda on commercial questions arising in the foreign relations of the United States; and it is in that connection that I have frequent occasion to make use of the statistics of the Bureau of Statistics.

The CHAIRMAN. You are familiar with the work of the Bureau of the Census in a greater or less degree, are you?

Mr. OSBORNE. Yes, sir. Perhaps not so much so as with that of the Bureau of Statistics.

The CHAIRMAN. Will you give this committee your opinion, then, on this question. From your knowledge of the organization and work of the two Bureaus under consideration, would you think it be wise or an unwise thing to do to consolidate the Bureau of Statistics with and make it a part of the Bureau of the Census?

Mr. OSBORNE. Mr. Secretary, If I could make a rather diffuse statement in answer to that, rather than a categorical answer, I would prefer it, because it is a difficult question for me to answer.

I have always had a great admiration for the publications of the Bureau of Statistics. I have had occasion to use especially the monthly summaries, the annual summaries, and Commerce and Navigation—that is, the statistics of the foreign trade only. These statistics have been all that we (that is, the Department of State) desire for our purposes, with a few exceptions, namely, in respect of lack of differentiation, and also of the absence of a detailed statement of imports and exports of articles by countries and articles. This statement is regularly published as an annual statement, and we make frequent use of it; but our purpose would often be better served if we could have later statistics for fractions of a year.

Mr. NORTH. You agree, then, practically with what Mr. Crounse said on that subject?

Mr. OSBORNE. He spoke more particularly of differentiation by items.

Mr. NORTH. Or countries of origin.

Mr. OSBORNE. Yes; he did speak of that, too. Then another thing that we have felt the lack of is a statement of the imports and duties collected thereon by countries. That has never been published.

The CHAIRMAN. Is that so? Is not that published?

Mr. AUSTIN. No, sir; not in the matter of duties collected.

Mr. OSBORNE. We have felt the need of that on several occasions, and I have applied to Mr. Austin for a special statement; and I am glad to say that there never has been an occasion when he has not responded promptly and fully to our requests.

The CHAIRMAN. The information is in the Bureau, is it?

Mr. AUSTIN. No; the information is available in this way: We have our statement of the rate of duty, and therefore the amount paid per pound or per unit of quantity on each article. Then we have in another place the statement of the quantity of those articles imported from each country, so it is practicable to take the quantity imported from the country in question of the article or articles in question and, basing it upon the rate of duty, to estimate the amount of duty paid on the articles in question. But that is the only way that it is possible, and that is the way that all those statements are made. We supply them whenever requested, but we have never had the force with which to make such an elaborate and difficult statement as that would be.

Mr. NORTH. How do our statements of imports and exports compare in general comprehensiveness with those of other countries?

Mr. OSBORNE. I think, as a rule, that ours are fully as complete in detail.

Mr. NORTH. As those of Great Britain, for instance?

Mr. OSBORNE. I think not of Great Britain; but I think of most continental countries.

Mr. NORTH. As complete as those of Germany?

Mr. OSBORNE. Well, I might make an exception there. My experience has been that French statistics are inferior to American statistics, and the same is true of the Austrian and Italian—we have them all, and occasionally use them.

The CHAIRMAN. I would like to ask you, Mr. Osborne, to give the committee your opinion as to how the statistics of foreign trade should be elaborated in order to meet your wants in the State Department.

Mr. OSBORNE. In only two ways that I can see; that is, which can be generally expressed. Of course there should always be a differentiation between raw products and manufactured articles. The two should not be combined, as in the case that Mr. Crounse mentioned. But the two respects in which the statistics might be improved are, first, the publication of imports and exports by countries and articles, monthly instead of merely annually, as at present; and, in the second place, the duties collected on imports for consumption should be given by countries, as well as from the world, as at present.

The CHAIRMAN. Should that be monthly, or would yearly do on that?

Mr. OSBORNE. That could be yearly, I think, because I think it would be considerable labor to give it. And I should have stated that in these cases where I made special application to Mr. Austin he was, as stated to you, obliged to estimate the duties, taking an average ad valorem for each item.

The CHAIRMAN. Now, we will let you go on with your statement, Mr. Osborne.

Mr. OSBORNE. Mr. Secretary, the only difficulty that I have experienced in the study and use of the statistics of the Bureau of Statistics, that suggests to me the possible advantage of a combination with the Bureau of the Census, arises from the lack of harmony in the grouping between the figures of the Census and the figures of the Bureau of Statistics. My experience has been that there are some articles that are classed as manufactures by the Census Bureau that are not classed as manufactures by the Bureau of Statistics.

Professor WILLIS. Do you recall any of those, Mr. Osborne?

Mr. OSBORNE. I think foodstuffs—particularly breadstuffs. The tendency of the Census has been to class more articles as manufactures than the Bureau of Statistics does.

Mr. NORTH. Have you not noticed that there has been a very marked improvement quite recently?

Mr. OSBORNE. Yes, sir; this present year. But my experience has been that I have failed utterly to establish a desired relation between the statistics of production of your Bureau and the statistics of domestic exports of the same article compiled by the Bureau of Statistics.

Professor WILLIS. I think that is a very important point. I should like to know which classification has seemed the better of the two.

Mr. OSBORNE. I have preferred that of the Bureau of Statistics, for the reason that I have been more familiar with it; and taking up the publications of the Bureau of the Census I have been somewhat at sea, and have, as I said, failed to establish any comparison or relation between them.

Professor WILLIS. You thought that there were too many articles that were not strictly manufactures which were grouped under the head of manufactures in the Census, did you?

Mr. OSBORNE. Well, I do not know that I would criticise that arrangement. I would simply deplore the lack of identity of treatment.

Mr. NORTH. What could the Census do, for instance, in a case like

flour? We get reports from manufacturers of flour, and we have got to classify it as a manufactured article.

Mr. OSBORNE. The Bureau of Statistics has to do the same.

Mr. NORTH. They do now, as I understand it.

Mr. AUSTIN. We put into a group called "Foodstuffs partly or wholly manufactured" everything which you class as manufactures which we do not.

Mr. NORTH. So that the comparison can now be made on broad grounds. It can not be made as to individual items.

Mr. OSBORNE. That suggests the question of the propriety of such combination or such rearrangement as would permit absolute comparison in every item.

Mr. AUSTIN. I think they are absolutely comparable now. Every article classed by the Census under "Manufactures" is now included either in our group of "Manufactures" or "Foodstuffs partly or wholly manufactured." I have given a great deal of study and care to that in the last year, and consulted with Mr. North and Mr. Steuart about it, and we have reached the conclusion that our figures are absolutely comparable.

Mr. NORTH. So far as the great groups are concerned. Of course when it comes to getting down to an individual item, that is another matter.

Mr. AUSTIN. There might be an individual item which we do not pass under the same phraseology as you do.

Mr. NORTH. But, Mr. Osborne, the tendency all the time as between the two Bureaus will be more and more in the direction of uniformity.

Mr. OSBORNE. This lack of harmony in the designation of articles was very apparent to me in my investigation on the question of production and exportation of American hardware.

Professor WILLIS. When was that investigation made?

Mr. OSBORNE. That was an investigation I made for the Department of State last spring. I took the Census of Manufactures of 1905, and took the figures of exports for the same year, and there was no harmony in designation.

Mr. NORTH. You can not do it, Mr. Osborne. The number of articles manufactured in the hardware trade is so multitudinous and the number made by single establishments is so multitudinous that when it comes to census work you can not differentiate them.

Mr. AUSTIN. And when it comes to exports you can not.

Mr. NORTH. That would fill a library with every census where you attempted to do it.

The CHAIRMAN. Mr. Osborne's argument is not the question of items of every article and getting all that detailed information, but his argument is in favor of having uniformity in whatever the Government puts out—having but one classification, so that another Department of the Government, like the Department of State, will not be obliged to try to harmonize two Government publications on the same article. That is your argument, is it not?

Mr. OSBORNE. Yes, sir. For instance, say that we are exporting about 9 per cent of our production of manufactured articles. We should like sometimes to know in the State Department, in relation to a question of commercial relations with particular countries, what percentage of the exports certain specific articles constitute.

The CHAIRMAN. And when you take up the statistical publications of two Departments of the Government you find they are not in harmony, and you are at sea, of course?

Mr. OSBORNE. Yes, sir.

Mr. NORTH. Do you see an intimate relationship to the Census Office in the work along those lines?

Mr. OSBORNE. Yes, sir; I do. I see evidence of it this year.

Mr. NORTH. I mean a natural relationship between the two Bureaus. It undoubtedly exists, does it not?

Mr. OSBORNE. Yes, sir.

Mr. NORTH. Have you finished your statement, Mr. Osborne?

Mr. OSBORNE. I do not think of any other point.

Mr. NORTH. I would like to ask you a question or two along a little different line, if you have finished.

Mr. OSBORNE. Yes, sir; I believe I have finished.

Professor WILLIS. Would it not be well just there for Mr. Osborne to say what his view is in reference to the chairman's question? I do not think we have had that yet.

The CHAIRMAN. Yes. Now, Mr. Osborne, will you give us your opinion on the whole subject of whether or not you think, first, that a consolidation would be feasible, and, second, whether it would be in the interest of good administration and a wise thing to do?

Mr. OSBORNE. I think if the consolidation were at the expense of the suppression of the individuality of either Bureau it would be regrettable. On the question of mere economy of administration I think it should be recommended.

The CHAIRMAN. On the question of the unification and harmonization of the entire statistical work, do you think it would be a benefit or a detriment?

Mr. OSBORNE. Theoretically, I am obliged to say that I think it would be advantageous. But, as I say, we have no serious criticisms to make of the Bureau of Statistics. We have found the publications admirable so far as they go, and with those few deficiencies that I mentioned there is nothing to criticise.

Mr. NORTH. You speak of an intimate relationship between the Census work and the work of the Bureau of Statistics. Is there not also a very close relationship apparent to you between the work of the Bureau of Statistics and the work of the Bureau of Manufactures of the Department of Commerce and Labor?

Mr. OSBORNE. Yes, sir.

Mr. NORTH. Even more intimate, if possible?

Mr. OSBORNE. Yes, sir. There should be. The Bureau of Manufactures should rely on the Bureau of Statistics for whatever official statistical statements it presents in its official publications.

Mr. NORTH. Does it strike you that the statistics compiled by the Bureau of Statistics must constitute the basis of practically all the supposed work that the Bureau of Manufactures is to do in the way of exploitation of American manufactured products?

Mr. OSBORNE. Well, since it is a general rule that the official statistics of the country of importation are the most reliable, it seems to me perfectly proper that the Bureau of Manufactures should use to some extent, in showing the distribution of American products geographically throughout the world, the statistics of the countries of im-

portation, which of course are not the statistics of the Bureau of Statistics.

Mr. NORTH. But are very closely allied to them. They are all mixed up together and bound together?

Mr. OSBORNE. Well, they are summarized in the publications of the Bureau of Statistics, but only summarized. Mr. Austin has never attempted—of course he has not the space nor the money to do it—to give detailed statistics from foreign sources, except in connection with these monographs of various countries that have been published.

Mr. NORTH. The most direct source of information for the Bureau of Manufactures as to where American manufactures now go, and where they do not go but might go, is the statistics of the Bureau of Statistics, is it not?

Mr. OSBORNE. Well, I do not know that I would go that far. I think the statistical statements furnished by the consular officers, when they are issued by governments that have scientific systems of statistical work, are more reliable, because they will show the merchandise consumed as well as the merchandise sent in transit, whereas Mr. Austin's figures very often are misleading. They often include transit figures. For instance, Mr. Austin has never published any reliable statement about our trade with Switzerland. That is no reflection on the system of the Bureau, but I think he will admit that.

Mr. AUSTIN. Yes.

Mr. OSBORNE. Whereas the Swiss figures are thoroughly reliable.

Professor WILLIS. Where do you think these consular figures ought to be published?

Mr. OSBORNE. I think, if I must answer frankly and fully, that they ought to be published in the Department of State.

Professor WILLIS. But supposing they were not to be published there; then, in which Bureau, the Bureau of Manufactures or the Bureau of Statistics, should they be published?

Mr. NORTH. May I modify that question? Since they are not probably going back to the Department of State, would it not be advantageous for the general harmonious presentation of the whole subject to have them compiled and published in one Bureau rather than in two Bureaus?

Mr. OSBORNE. Yes, sir. Well, they are; the consular reports.

Mr. NORTH. No; the consular reports and the statistics of imports and exports?

Mr. OSBORNE. That. Mr. North, was one of the strongest arguments advanced, I believe, in Congress at the time of the creation of the Department of Commerce and Labor, for the transfer of the function of publishing reports to the new Department.

Professor WILLIS. I do not think that quite answers Mr. North's question; does it, Mr. North?

Mr. NORTH. Well, I think I know what he means by his answer.

Professor WILLIS. It does not answer it to me.

Mr. AUSTIN. Mr. Chairman, if I may suggest, the act which did transfer that work did combine it with the Bureau of Statistics, and I presume that is what Mr. Osborne means to convey.

Mr. OSBORNE. That was one of the strongest arguments why the function of publishing should be taken away from the Department of State and put in the new Department—because they would there

be lodged in the Statistical Bureau and it would be possible to have a uniform statistical treatment.

Professor WILLIS. Is not your argument, then, tantamount to a recommendation that the Bureau of Manufactures should go out of existence?

Mr. OSBORNE. I do not look at it that way; no, sir.

Professor WILLIS. If you take away all of its functions, you do not leave anything there.

Mr. NORTH. It still has left the function for which it was nominally created—the function of exploitation.

Mr. OSBORNE. Yes. It comes in contact with the business interests of the country, and should be the criterion of business wishes.

Mr. NORTH. Mr. Osborne, in view of what you have said, I conclude that you think that there is a greater natural affinity between the work of the Bureau of Manufactures and the work of the Bureau of Statistics than there is between the work of the Bureau of Statistics and that of the Census Office?

Mr. OSBORNE. I am not certain about that, Mr. North. Theoretically the bureau that comes in contact with the business interests of the country, and is supposed to reflect the wishes and needs of the business community, should best be able to suggest to the Department of State the proper subjects of trade reports by consular officers with a view of meeting the business needs of the country.

Mr. NORTH. And a complete knowledge of the import and export statistics would greatly help it, would it not?

Mr. OSBORNE. It would, sir.

STATEMENT OF DR. DAVID T. DAY,

Petroleum Expert in the United States Geological Survey, Department of the Interior.

The CHAIRMAN. Doctor Day, will you give the stenographer your name and the position you occupy.

Doctor DAY. My name is David T. Day. I am the expert in charge of petroleum work in the Geological Survey—not simply petroleum statistics. For twenty-one years I have been the chief of the division of mining and mineral resources, which has to do more with the collection of statistics of the production and the examination of deposits of the minerals of the United States. On July 1 last I left the charge of that work to Mr. Parker and went over, by my request, to the petroleum work of the Geological Survey, to have general charge of that. Therefore I come here in perhaps a somewhat different official position from what you would expect, and the man that you are looking for is Mr. Parker, my successor, to whom you have also sent an invitation to appear. I can speak more as a “has-been” than as one occupying the responsible position in statistical work that you probably have in mind.

The CHAIRMAN. You had twenty-one years in that position?

Doctor DAY. Yes.

The CHAIRMAN. Which is a good deal longer service than Mr. Parker has had?

Doctor DAY. Yes, sir.

The CHAIRMAN. Then we will take your opinion on this matter and not call Mr. Parker.

Doctor DAY. I think it would be very advisable for you to call Mr. Parker, because of the point of view. He has been in one line particularly—coal—and in that has come in contact with lines of statistical inquiry quite additional to mine, and he represents a different point of view which I think will be quite valuable to the committee, if you will accept my suggestion.

The CHAIRMAN. Thank you very much, Doctor Day, for that suggestion. You have gathered from my letter to you, Doctor Day, and also from the discussion here this morning, the subject which we have in hand. Will you please venture an opinion as to whether or not you think it would be a wise thing to do, and in the interest of good administration, to consolidate the Bureau of Statistics with the Bureau of the Census?

Doctor DAY. I have gathered from Mr. Osborne the desirability of expressing that answer rather diffusely, if it is permitted to me as to him, rather than as a categorical answer. I have jotted down a few notes, not to read, but to keep my remarks from being too diffuse.

The CHAIRMAN. Make your statement in any way you like, Doctor Day.

Doctor DAY. And I would say that I trust the committee will accept somewhat detailed pertinent memoranda in regard to this subject, rather than very general statements, inasmuch as I conceive that to be of more value to you, as personal testimony, than any very general discussion of the subject.

I assume that the project of this fusion is based upon considerations of general policy, because there does not seem to me any other possible ground for disarranging one statistical service with which absolutely no fault can be found, either on the score of economy in itself or certainly on the score of accurate results in itself—only considerations as to further economy or further accuracy by virtue of a fusion.

It is a curious thing that the manifest advantage which should come from a fusion of all statistical activity in the Government service has not been actually carried out heretofore. There must have been some strong fundamental underlying reason why statistical organizations in the Government have developed so well in the United States without this, in spite of the manifest advantage of joint work, applying the principles of "Thou shalt not duplicate, neither shalt thou publish from two branches of the Government conflicting statistics covering the same product; neither shall two Bureaus send out statistics on the same questions to the producers of the country." Those evident rules of conduct would certainly be better carried out by the fusion of all sorts of statistical Bureaus into one organization.

All these commandments have been broken by several statistical Bureaus of the Government in the past, but never by the Bureau in question. They have not duplicated the work of other Bureaus in their original work. That is, the statistics which are original with the Bureau of Statistics are those of imports and exports. That work has been original work, and has not duplicated the work of other branches of the Government.

At the present time all these bureaus have become successful in keeping all these commandments, by virtue, not of consolidation, but of repeated conferences between the chiefs of the Bureaus concerned. We have had evidence from the testimony of Mr. Osborne, as commented upon by Mr. Austin and Mr. North, that the disagreement in

classification of manufactured products has been smoothed out successfully without consolidation, by the other method of repeated conferences between equal authorities, in which each has the same official position and each is able to maintain thereby its authority in regard to its own subject, in expressing the desirability of its own classification in conference with the other.

But what is there deeper than all this which has preserved the identity and the individual responsibility of each of these Bureaus—which has led them to affiliate to the avoidance of all conflict, rather than consolidate, and has developed each one in accuracy and in the good opinion of the public? It is simply the following principle: And it is absolutely necessary for the statistician to be in the closest possible touch with all the branches of the Government and of the people which contribute the data which he compiles. Further, unless he is in constant touch with the changes in the interests concerned, his statistics quickly become valueless.

In this day of specialization—this is Crounse over again, I am sorry to say; if I had known he was going to express it so well I should not have tried to express it—it is necessary for the statistician to specialize and be in constant contact with the source of supply of statistical data in his own branch. Naturally, a man might acquire knowledge in one branch by long years of work, and then be transported to the sphere of pure statistics, but in that moment he loses his value, as he ceases to have the same daily intimate association with others in the Government service who are in the same branch of work. In this case that means the Bureau of Manufactures and the Consular Bureau. And this is laying stress upon the necessity of that association which represents continual changes, where the intimacy must be great, rather than close association with other statistical work where the rules are as unchanging as those of arithmetic. The rules of the statistician are fixed, and once acquired they do not change every day, as do the conditions on which these data are based. The statistical rules, which can be made uniform by conference, are fixed and easily acquired. The relation of the man who collects the statistics to the outside data must be continually close, because these outside conditions are in constant change, or the statistics would not be collected at all.

It is easy for the statistician, by conference with other statistical authorities, to learn the general, simple, and efficient rules of good statistical work, which are not subject to constant change; but should he lose for a year his grasp on the conditions, for example, of copper development in the country, it would be better to choose a new geologist acquainted with copper, and make him a statistician, than to take a statistician and acquaint him with copper.

As a general principle governing the organization of bureaus, I think it should be recognized (as my own personal opinion) that in the collection of statistics each product of the country should be tabulated by the man who is in constant touch with that product until the product has once become named—tagged. To tell what comes out of the earth—or, in the case in hand, what comes out of the United States into the United States—whether it comes from below up, as in agriculture or mining, or whether it comes from without within—it must be tagged by a specialist in the things themselves; and after that,

their commercial aspects, their subsequent treatment, are the field of the general statistician. Where the statistical changes are so great and so considerable that the identity of the thing itself, already established, is no longer of importance, it is the relation of one thing to another which becomes important and becomes the subject of treatment by a general statistical Bureau such as the Census Bureau.

I should recommend that every substance imported into the United States should be treated as though it were a new rough substance, which must be named and classified. I say that out of twenty-one years of experience in handling the import and export figures furnished by the Bureau of Statistics, it has appealed to me that the most difficult problem was the identification of the materials treated in the reports—the thing on which, in the end, hangs success or failure in the acceptance by the people who use those statistics. If that classification, that identification, is not correct, no amount of statistical treatment of it will make it worth the paper it is printed on for the people to whom it is vital. If the copper imports are not properly classified, if they are not scrutinized to avoid fraud, those figures are then worse than had they not been printed at all. And there is where the expert comes in.

Long experience has shown that it requires much skill to separate, identify, and classify the imports and exports of the United States, just as it does to classify those substances which originate in our country. This the Bureau of Statistics of the Department of Commerce and Labor has been doing for many years. The Geological Survey has called upon this Bureau in every case, as better able to make these classifications than any other organization; and the response has been thorough and satisfactory, and has received not only the confidence of the Survey, but the public. We have reprinted their figures in order to compare them with our figures of production, to give an essential idea of the consumption, which is the joint figures, less exports. The confidence of the public would be shaken by the implied reflection upon the Bureau of such a change as that proposed. That does not involve in any sense what the essence of that change is; it is only the ignorant conception of that change by the public, which will not go into the details. They regard any change of that kind, in an organization on which they have been drawing steadily and with confidence for many years, as being necessitated by inherent fault in the organization itself.

In other words, a recent two months' experience abroad has brought rather forcibly to my mind the attitude with which the foreign governments view a great many changes in our own country here. They take it in every case as a reflection upon the thing changed. Otherwise they would consider it a purely gratuitous, unnecessary thing for us to show that amount of instability in our method of doing things.

The change would further, in this case, involve the inherent fallacy of taking the Bureau away from the force of men from which it would be actually recruited. It is not who collects the statistics now, but who is going to collect them in the future. Where is the natural contact with the things collected? Where is that developed? Where are the men who develop that contact with these things, who are learning to classify the data which are here compiled and published? What is the natural field for that? That field is, to my

view, not only the Treasury Department's work, but the consular service; and the relationship there should be kept as intimate as possible, in my judgment.

I can give an example of that, in concluding, in the fact that the Geological Survey began this work with a statistical division which was rather apart from the Survey. The result has been in the contrary direction. It has proved good policy in our organization to push the statistical division into every artery of the geological organization. For example, the statistics of copper, formerly collected by an outside agency, are collected by a geologist, who does all of our work of scrutiny of the deposits of copper in the United States, and the gain has been a great one. We have pushed the statistics of gold and silver into the hands of the greatest expert we have, with an organization under him, in the study of the deposits of gold and silver, in order that the complicated ores may each one be classified as it yields a classifiable substance—that is, either gold or silver or copper or lead or zinc, all of which sometimes come out of the same chunk.

Now, in that way we have spread out our statistical organization instead of trying to further consolidate it. Instead of taking it away from the substances with which it is associated we have pushed it farther and farther into them, finding that conferences between the men engaged make them conversant with absolutely fixed principles on which those statistics shall be collected, so that they will be comparable in the end, those principles not changing, whereas the conditions are constantly changing.

I can state, as another example, the effort to bring together all the chemical work of the Government into one chemical bureau, the result of which was to find that the value of the chemical work depended on the close association of the chemists with the particular branch of Government work with which they had to deal. The chemical work of the experts in the Treasury Department depended for its significance and its value on a close relationship with the other members, particularly the internal revenue people, in the Treasury Department, with whom they were associated.

That is all that I have to say.

The CHAIRMAN. To sum up your argument, Doctor Day, it means that you would be against the consolidation of the two Bureaus?

Doctor DAY. Unless it would bring the actual data collected—the ability to classify the data collected—closer to those who compile the statistics.

Mr. NORTH. Suppose it took over the entire force now engaged in the work of compiling the statistics?

Doctor DAY. Those men would deteriorate, because they would go farther away from the other men in the Department of Commerce who help to classify those statistics in the beginning. They would go farther from the sources of information. They would go farther from the men who make the principles of classification. This is a matter of manufactures and particularly of exports and imports, and the collector of those statistics must be not only formally, but in his most intimate relation, close to those who classify those products.

The CHAIRMAN. The sources of information, of course, would be exactly the same, no matter under what roof or what management.

Doctor DAY. Certainly.

The CHAIRMAN. Therefore I do not follow you when you say the men would deteriorate under a consolidation because they would be farther away from the sources of information.

Doctor DAY. I am glad you raised that question. That brings up the entire idea. Suppose that you are to recruit your force?

The CHAIRMAN. You can not recruit our force except through the Civil Service Commission, you know.

Doctor DAY. Very good. But you have men under the civil service already who are working in that line. Now, who are the men who are best calculated to recruit that force? They are the men who are working daily on the subject of imports and exports. Those men are the consular officers and those in the Treasury Department who are making the rules as to how to carry out the laws governing imports and exports.

Mr. NORTH. The relations with those Departments would not be changed a particle.

Doctor DAY. As I understand it, the consular work is combined with the work of collecting the import and export statistics, and very wisely so.

Mr. NORTH. Not at present.

The CHAIRMAN. It is in the Bureau of Manufactures. It is in neither of the Bureaus under discussion. The consular reports are published now by the Bureau of Manufactures.

Professor WILLIS. You would say anyhow, Doctor Day, would you not, that the consolidation would not bring these men into closer touch than they are at present with the sources of information?

Doctor DAY. Not as far as I understand the organization of the Census Office and of the Bureau of Statistics.

Professor WILLIS. At most it would leave them the same; it would not bring them into closer touch; there would be no improvement from that standpoint?

Doctor DAY. I can not see any improvement.

Thereupon, at 11.40 o'clock a. m., the committee adjourned until Wednesday, October 23, 1907, at 9.30 o'clock a. m.

EIGHTH DAY.

WEDNESDAY, *October 23, 1907.*

The committee met at 9.30 o'clock a. m. in the office of the Assistant Secretary of Commerce and Labor.

Present: Messrs. Murray (chairman), North, Neill, Austin, and Willis.

STATEMENT OF MR. JAMES L. GERRY,

Chief, Division of Customs, Treasury Department.

The CHAIRMAN. Mr. Gerry, you have had considerable experience in the handling of statistics, I believe?

Mr. GERRY. We are called upon almost all the time to use statistics in some way or other.

The CHAIRMAN. We would like your opinion on one question which we have under consideration, and you are very kind to come here this

morning and give it to us. The question is this: From your knowledge of the organization and work of the Bureau of Statistics of this Department, and the Bureau of the Census of this Department, do you think it would be in the interest of good administration and a wise thing to do to consolidate the Bureau of Statistics with the Bureau of the Census?

Mr. GERRY. Primarily, I would say that I am not competent to judge, for the reason that it would appear to be more or less of an internal matter with the Department of Commerce and Labor.

The CHAIRMAN. It is, of course.

Mr. GERRY. So far as we are concerned (and I used the word "we" with reference to the Treasury Department) it is doubtless just as simple to report figures to the Bureau of Statistics as it would be to report them to the Census Office. The difficulty appears to lie in the fact that these figures are all obtained from customs officers, collectors of customs, who are under the direct supervision of and are paid by the Treasury Department, and the consequence is that perhaps sometimes there is a little conflict, inasmuch as the movement of business, according to the notion of the people in the Treasury Department, might be interrupted or interfered with by getting the statistical figures. The consolidation, therefore, in my mind has only one possible merit, and that is something that might be gotten just as well in the Bureau of Statistics if it were properly supported, namely, legislation which would warrant them in getting accurate and detailed figures and making their tables in such form and so voluminous that absolute comparisons could be readily obtained.

Mr. NORTH. That is not now the case?

Mr. GERRY. That is not now the case, but I would not say absolutely that it was the fault of the Bureau of Statistics.

Mr. AUSTIN. Pardon me, Mr. Gerry. Do you mean absolute comparison between our figures and those of the customs division?

Mr. GERRY. No.

Mr. AUSTIN. Your term "absolute comparison" was not quite clear to me; that is the only thing.

Mr. GERRY. I mean that in the comparisons as between the various countries of the world, as between different seasons, different years, and all that sort of thing, there is not, to my mind, sufficient detail. It is due possibly in large measure to the Treasury Department, for the reason that the present tariff has something like 400 numbers in it. You have classifications like "Manufactures of metals" and "Vegetables in tins." Each one of the tariff numbers carries in it a great group of articles, and if you wanted to get the statistics of mushrooms, for example, it would be impossible to furnish them in your statistics because the statistical division in the collector's office does not furnish them here, and the statistical division in the collector's office is not able to furnish them because the importers do not come forward and put them on the entries; and the importers can not put them on the entries because the consular officers on the other side do not require the invoicing of merchandise in that way. So you have a series of blocks here that goes far back.

Now, to come back to the original proposition, if the consolidation of these Bureaus would in any way secure more favorable legislation, and aid this thing all along the line, then I am in favor of it.

You see that is a secondary proposition. I think that, broadly, if it were possible to have a statistical bureau that covered all forms of statistics—not only took your several statistical branches, but perhaps the Agricultural Department also, which seems to run a statistical census bureau of its own and issues statistics on things that concern the Treasury Department and apparently every other Department—it would be a good scheme, but the mere consolidation of these two Bureaus of the Department of Commerce and Labor I do not think would have any particular force.

Mr. NORTH. Except from an administrative point of view. Suppose, for instance, there was an elimination of what might theoretically be called a superfluous bureau?

Mr. GERRY. I am generally in favor of trusts and the elimination of unnecessary offices. But, of course, if you were going to proceed on that theory, then I should say that it was the proper thing to abolish the Bureau of Statistics and send it back to the Treasury Department.

Mr. NORTH. As a matter of fact, have any difficulties or inconveniences arisen in the Treasury Department from the transfer of the Bureau of Statistics to the Department of Commerce and Labor?

Mr. GERRY. Not to us. That was a *vi et armis* case, though. For instance, here was a case of goods exported with benefit of drawback. It was convenient and to my mind conducive to good business, to treat the merchandise as being exported when it went out of the country at the first port. It goes into Canada, comes back into the United States at Littleton, and goes out at Vanceboro. Under the old ruling, established for the benefit of the statistical bureau, instructions were issued to the collectors to regard that merchandise as exported only when it left the last port in the United States, for the reason that when the merchandise came back into the United States—you see, it went through Detroit into Canada, back into Maine at Littleton, and out at Vanceboro; that is, across the State of Maine, which comes up so [indicating] and then out at St. John—when that merchandise came back the statistical bureau was liable to run against duplications, because this was merchandise coming back into the United States. In order to conserve their interests it was perhaps better to have that considered as an exportation at Vanceboro. For us it was better to have it treated as an exportation at Detroit. So, finally, we got together on that and made regulations, and the statistical bureau treats this merchandise now coming through Maine as foreign merchandise in transit through the State of Maine. There have been very few occasions when there was any conflict at all.

Mr. NORTH. Do the collectors get their instructions direct from the Bureau of Statistics or through the Treasury Department?

Mr. GERRY. Well, of course, they issue circular instructions that come from the Department of Commerce and Labor. At the present time we print in our regulations the regulations of the Department of Commerce and Labor, and of course those constitute instructions to all collectors of customs; so that in one sense you may say that these instructions come to our officers through the Treasury Department. You understand, though, that while our customs officers should only be theoretically under the direction of the Secretary of

the Treasury, very frequently occasion arises when we want to issue instructions direct for various reasons.

The great difficulty in my mind is the fact that at the present time the law is in such condition that it is almost impossible to get absolute figures. Instead of having 400 numbers in a tariff, we ought to have 1,600, 2,000, or 2,500. It ought to be cut up as much as possible. Then when a man comes into the port of New York with an automobile, he ought not to be allowed to enter it as manufactures of metal. In the schedules of the Bureau at the present time we have, I might almost say, thousands of manufactures of metal in different classes, but that is the way it is reported to them. If you have vegetables in tins, there are dozens and dozens of these classes. The entries are made so as to be in the terms of the tariff. It is the same with manufactures of silk, manufactures of cotton, and all that sort of thing—under each one of these schedules there is a sort of catch-all provision. It was worded so that if it was not particularly specified in one of the previous provisions here was a basket which took up everything that was left.

Mr. NORTH. When you say, then, that legislation is desirable, you mean that the tariff act itself should be made more specific?

Mr. GERRY. That is one proposition. The tariff act should be made more specific, but in the absence of legislation along that line there should be legislation empowering the collector to refuse to accept entries of merchandise unless in addition to the wording of the tariff act they specify the commercial designation of the merchandise that they bring in. You see no man is going to stop in the entry of a vast amount of merchandise that comes in at New York, an invoice anywhere from 1 to 70 pages long, and indicate the various classes of his merchandise if he can bring it in in one generic clause; and the collector can not say, "I won't accept that entry," because there is nothing behind him.

Mr. NORTH. He is bound to accept it?

Mr. GERRY. He is bound to accept it. He would be absolutely under his bond for failure to accept it, for in the meanwhile the merchandise comes over the dock and charges ensue, or he may be unable to deliver his merchandise and lose his contracts. You do not know what might be entailed.

Mr. NORTH. But, as a matter of fact, Mr. Austin is able to report that the number of automobiles in a certain year is so many and their value so much.

Mr. AUSTIN. Yes.

Mr. GERRY. Because the appraiser specifically reports the number of automobiles.

Mr. AUSTIN. We are constantly embarrassed by our inability to answer many questions along similar lines—similar items which are concealed under glittering generalities in the returns.

The CHAIRMAN. To sum up your opinion, then, on the main question at issue, you can see no advantage in the consolidation which we have under discussion?

Mr. GERRY. If there were a betterment of the service; if the Treasury Department, speaking purely from a selfish standpoint, could get any better results by this consolidation, well and good; but I do not see wherein the benefits would accrue by having figures reported

to a division in the Census Office or what the distinction would be between reporting figures to a division in the Census Office and to an independent bureau in the Department of Commerce and Labor.

The CHAIRMAN. You are speaking of the benefit to the Treasury Department. We are trying to benefit this Department and trying to get you to help us. I see your point, however.

Mr. GERRY. You know there are lots of times when in the stress of circumstances we want some statistical table very promptly; maybe a train goes late that night and we would like to get them. I can say that if these tables could be gotten, or if any number of men could be switched over and put in there to help on them, we might call on the statistical bureau very much more frequently than we do. We would have a little less mercy on them than we have at the present time in getting these things out. So far as machines are concerned, I should think they would be able to have them themselves. There might possibly be some advantage by reason of having, so to speak, a transferable force which could be run in there at times, but I do not myself see any great advantage in that.

The CHAIRMAN. That suggestion about a greater subclassification seems to me important, and I think the committee appreciates it very much.

Mr. GERRY. At any time that you desire to go over this thing and work out a better schedule I would be very pleased to cooperate with you. In fact, I have had the question up with the people in New York very recently. I was over in New York on Thursday and Friday, and I talked with the auditor and the statistical division people, and they were telling me some of the difficulties that they had in getting figures that were sufficiently explicit and accurate to report to the Bureau of Statistics. Of course, the tendency always is in the getting up of these statistics to follow lines or plans that will occasion the individual the least amount of effort, and when he can make up his tables from New York in broad classes, the tables are very much shorter and he has a great deal less work to do. But I should be delighted to cooperate and recommend the enlargement of the statistical division at each of the principal ports, so that these figures could be more detailed.

Mr. AUSTIN. And perhaps in the interest of more promptness in getting in the returns?

Mr. GERRY. Yes. Of course, the promptness with which they get in the returns is possibly not to be corrected by the mere addition of men in the statistical division. That goes way back from the dock right up through the channel until the entries get back to the liquidating division.

Mr. AUSTIN. Can you say, Mr. Gerry, whether the returns are any less prompt in reaching the Bureau of Statistics now than they were when it was a part of the Treasury Department?

Mr. GERRY. No, they are not. It is just as simple to make out these returns and mail them to one place as to another.

Mr. AUSTIN. My point was whether the urgency of the Bureau in behalf of prompt returns is as effective when it is part of another Department than if it were a part of the Treasury Department?

Mr. GERRY. I should have no reason whatever to doubt that they were just as prompt. If they are not, the matter should be called to

the attention of the Treasury Department and the men would be reprimanded.

Mr. AUSTIN. They are not as prompt in recent years as they used to be.

Mr. GERRY. They should be just as prompt.

The CHAIRMAN. If they are not as prompt, I suppose one reason is that they have more business.

Mr. AUSTIN. That may be. Mr. Gerry, on this matter of increasing the number of items I would like to ask if the Bureau of Statistics has evinced an interest in that subject and tried to cooperate with you?

Mr. GERRY. Yes, I had this matter up with the Bureau of Statistics, and there has been a recommendation from the Bureau of Statistics with regard to the amendment of the regulations.

Mr. AUSTIN. We have been very anxious on that point, and I wanted to make it clear that we had not been neglecting that subject at all.

Mr. GERRY. Unfortunately, as I say, it makes little difference in the estimation of the people at New York whether we amend the regulations or not, because the mere amendment of regulations will not make any change in the manner in which these entries are made. Until some law is passed carrying with it a penalty, or the power of the collector to refuse to accept entries, nothing will be done. It was with that end in mind that I said that if the consolidation of these Bureaus would result in the Commerce and Labor Department being able to get legislation which the individual branches, not having cohesion, could not get, I should be in favor of the consolidation.

STATEMENT OF MR. EDWARD W. PARKER,

Statistician, United States Geological Survey, Department of the Interior.

The CHAIRMAN. Mr. Parker, how many years' experience have you had in the handling of statistics?

Mr. PARKER. I began with the Eleventh Census, under Mr. Robert P. Porter.

The CHAIRMAN. Are you familiar with the work of the Bureau of Statistics?

Mr. PARKER. With the results of the Bureau as we use them; that is, in the statistics of exports and imports of mineral products particularly.

The CHAIRMAN. You are familiar also with the work of the Bureau of the Census?

Mr. PARKER. Yes, to some extent, of course. I have compared the results of the Census with the work that we do in the Geological Survey—

The CHAIRMAN. I mean, are you familiar with the general working system of the Bureau of the Census?

Mr. PARKER. Not as it is at present. Of course, I knew it during the Eleventh Census. I had charge of some of the work for the Twelfth decennial census under Mr. North, the preparation of the report on the production of coal and manufacture of coke, and on petroleum refining.

Mr. NORTH. And generally you have knowledge of all our mineral census work?

Mr. PARKER. Yes.

Mr. NORTH. Through cooperation between your Bureau and ours?

Mr. PARKER. Between the Geological Survey and the Census Office.

The CHAIRMAN. Do you know the method used in the Bureau of Statistics for getting the information there and turning out the work?

Mr. PARKER. I do not know anything about the machinery of the Bureau. I suppose, of course, that the statistics are collected from reports from the customs officials. It is different work from that which we do in the collection of statistics from individual operators throughout the country. The men who make the reports to the Bureau are Government officials. Those that make reports to us are, of course, individual producers.

The CHAIRMAN. What do you think of the advisability of consolidating the Bureau of Statistics with the Bureau of the Census, Mr. Parker?

Mr. PARKER. I have supposed that the only reason for doing that would be economy of administration. I do not see where any other benefit might be derived. If there should be any great economy of administration, that would be a point to be considered, but I am unable to see where such economy would be effective, for the reason that the sources of information are entirely different. The same work would have to be done by the Census Office as now done by the Bureau, independent of the work that the Census now does, so far as I can see. There is no duplication in that work, if my idea of the two Bureaus is a correct one.

There is one question that I heard Mr. Gerry discussing which interested me, and that was as to whether or not there was greater ease and more promptness in obtaining the statistics when the Bureau of Statistics was under the Treasury Department than under the Department of Commerce and Labor. I would suppose that the returns would be more promptly made by officials under other officials of the Government than when it is done for another Department.

Professor WILLIS. Could your statistics, Mr. Parker, be with profit carried on in the Census Office—that is, as well as they are now or not?

Mr. PARKER. I should say not. Our work is being done very largely by the men in charge of the various branches of the geologic work. The results that we obtain in the statistical line are being consulted all the time—not only the complete reports that we get out, but the individual returns. They want definite information about certain developments that are going on in different regions, and our statistical information has a very important bearing upon that particular subject. There is not a day that we do not have the geologists coming in to consult our records and interviewing us in regard to the developments in those regions.

The CHAIRMAN. I asked Mr. Austin for a statement showing by years, for the past five years, the number of persons employed in the Bureau of Statistics and paid from the appropriation "Collecting statistics relating to internal commerce," together with a similar

statement showing the number of persons engaged in the collecting of internal commerce statistics and paid from the appropriation "Salaries, Bureau of Statistics." I did that for the reason that I wanted to know what those internal commerce figures were costing the Government. Mr. Austin replies as follows:

DEPARTMENT OF COMMERCE AND LABOR,
BUREAU OF STATISTICS,
Washington, October 22, 1907.

HON. LAWRENCE O. MURRAY,
Assistant Secretary of Commerce and Labor,
Washington, D. C.

DEAR SIR: Replying to your letter of October 21, asking for a statement showing by years, for the past five years, the number of persons employed in this Bureau and paid from the appropriation "Collecting statistics relating to (internal) commerce," together with a similar statement showing the number of persons engaged in this work and paid from the appropriation "Salaries, Bureau of Statistics." I have to say that during the period named, 1903 to date, the number of persons continuously employed from the fund for the "collection of facts relative to the internal and foreign commerce of the United States" has been two. The number of clerks paid from the appropriation "Salaries, Bureau of Statistics," who were assigned to service in the Internal Commerce Division varied with the season, but averaged three during each year from 1903 to 1906, and four in 1907. On certain occasions a clerk paid from the internal-commerce fund, but found especially fitted for foreign commerce work, has been assigned thereto and another clerk paid from the appropriation, "Salaries, Bureau of Statistics," substituted for him in the Internal Commerce Division.

It is proper to add that the time of the persons employed in the Division of Internal Commerce is not devoted exclusively to internal-commerce work. Numerous statements relating to other subjects are prepared by them, many of them requiring much time and labor; and while there are parts of each month in which the full attention of the six men is required to prepare the internal-commerce statement for the Monthly Summary, the services of a portion of the force are frequently called into requisition for work of a miscellaneous character, often having no relation to internal commerce.

Very respectfully,

O. P. AUSTIN, *Chief of Bureau.*

The CHAIRMAN. What I wanted to get at was the actual cost in dollars, and I see you do not give me that, Mr. Austin.

Mr. AUSTIN. It would be rather difficult to do that, Mr. Secretary, because the division does so much work that is not internal commerce. I should say that it could not exceed \$6,000 a year, all told.

The CHAIRMAN. Did you make me up a statement of what the printing cost, Doctor Havenner?

Doctor HAVENNER. No; I did not make up a statement. I went over it and estimated it very carefully.

The CHAIRMAN. What did you find?

Doctor HAVENNER. That the printing is costing us from \$12,000 to \$16,000 a year for the internal commerce statement. It is a fair average to say that the statement costs from \$20,000 to \$25,000 a year.

The CHAIRMAN. The maximum would be, in your opinion, \$25,000 for printing and all?

Doctor HAVENNER. Printing and all; yes, sir.

Professor WILLIS. It seems to me it would be very well if we could get at the exact cost.

The CHAIRMAN. Will you go over your estimate on printing again, Doctor Havenner?

Doctor HAVENNER. Yes, sir.

STATEMENT OF MR. JOSEPH NIMMO, Jr.,

Former Chief, Bureau of Statistics, when a Bureau of the Treasury Department.

The CHAIRMAN. I have a letter this morning from Mr. Joseph Nimmo, jr., a former Chief of the Bureau of Statistics, who is unable to appear, and I will make his letter a part of the record. Mr. Nimmo writes as follows:

WASHINGTON, D. C., *October 22, 1907.*

Hon. L. O. MURRAY,

*Chairman of Committee on Consolidation of the
Bureau of Statistics with the Bureau of the Census,
Washington, D. C.*

DEAR SIR: I have to acknowledge receipt of your letter of September 30, inviting me to appear before your committee in regard to the consolidation of the Bureau of Statistics with the Census Office. I regret to say that I have not been able sooner to reply to your request on account of illness and important work on which I am engaged.

My experience in statistical work began with the year 1867, when I was employed as Chief of the Division of Tonnage in the Treasury Department. That service continued until the year 1873, when I was transferred to the Senate Committee on Transportation Routes to the Seaboard, which I served until 1875, when the Division of Internal Commerce was created for me by that committee. I served in that capacity until the year 1878. From 1878 to 1885 I was Chief of the Bureau of Statistics, and since that time I have been engaged in statistical work in connection with my professional service as an economist—a total period of about forty years.

I was greatly surprised to hear of the proposition to consolidate the Bureau of Statistics with the Census Bureau, and believe such action would be detrimental to the public service. The Bureau of Statistics is essentially a bureau of customs revenues in its most important feature; all the rest is incidental to that service. I think that a great mistake was made in transferring the Bureau from the Treasury Department to the Department of Commerce and Labor, quite as great a mistake as would have been the transfer of the Bureau of Internal Revenue to that Department.

The statistical work of the Bureau of Statistics was organized by Alexander Hamilton as a fundamental feature of the fiscal system of the United States, and as such it was made a bureau of the Office of the Register of the Treasury. It continued in that relation until the year 1866, when, in consequence of the enormous growth of the Register's Office in connection with the national debt, it was decided to constitute it a separate bureau. Unfortunately, the mistake was made of giving it a name which is not at all significant of its work. The most important feature of its work is that of compiling data in regard to the customs revenue of the United States. Such data is collected by the customs officers throughout the United States and from time to time reported to the Bureau of Statistics, which properly should have been named the Bureau of Customs Revenue, in contradistinction to the Bureau of Internal Revenue. From the beginning of the Government until the time that the Bureau was transferred to the Department of Commerce and Labor, whenever Congress was

engaged in legislation in regard to the customs revenue it was customary to notify the Secretary of the Treasury of that fact, whereupon the officer best informed in regard to the details of the customs revenue statistics was assigned to duty in the office of the Ways and Means Committee of the House for the purpose of being able to furnish data immediately to that committee; and when any revenue bill went over to the Senate Committee on Finance the same thing was done, the representative of the Treasury Department being detailed for duty there. Generally speaking, whenever any committee of Congress desired information in regard to the customs revenue, a letter was sent to the Treasury Department requesting that information, and in my experience the Secretary of the Treasury was always prepared, through the Bureau of Statistics, to make immediate answer to Congress in regard to all matters relating to customs revenue. He was held responsible (and I think ought always to be held responsible) to Congress for information affecting such legislation and required to be prepared to answer all questions in regard to customs revenue from the data furnished by the bureau unfortunately misnamed the "Bureau of Statistics."

There is no more propriety in calling the Bureau of Statistics by its present name than there would be in applying that name to any other bureau. For if a stranger should visit the various Departments of the Government—the State Department, the War Department, the Navy Department, the Treasury Department, the Interior Department—he would find in all of them clerks engaged in the compilation of figures; so that the term "statistics" is in this connection a meaningless word. The Bureau of Statistics might as well be called the "Bureau of Figures," and the same name might be applied to every bureau of the Government service. A descriptive name would have been "Bureau of Customs Revenue Statistics." The idea of connecting the Bureau of Statistics with the Census Office is, to my mind, not only absurd, but farcical.

A sound reason why the so-called Bureau of Statistics should never have been detached from the Treasury Department is that the information is compiled from data furnished by customs officers throughout the United States. Those officers are under the control of the Secretary of the Treasury, which control is, in practice, exercised by his subordinate, the Chief of the Bureau of Statistics. This work is essentially scientific, an independent branch of the public service, having no relation whatever to census work. Then, as I have remarked before, the compilation of this information is an essential part of the fiscal system of the United States as organized by Hamilton, and so existed up to the time that it was transferred from the Treasury Department to the Department of Commerce and Labor. So that, at both ends of the line—the furnishing of data by customs officials and the administration of the work of compiling such data, as well as the direct responsibility which existed in the beginning and which should still exist between the Treasury Department and Congress—the proposed union with the Census Office would disrupt the whole scheme and make confusion worse confounded.

The absurdity of the name "Bureau of Statistics" is readily apprehended by considering the fact that our language employs only 36 symbols to express every science and every art which go to make up every library in the world—the 26 letters of the alphabet and the 10

numeral digits. The so-called but misnamed Bureau of Statistics is essentially a scientific organization, dealing with the science of commerce and customs revenue; and to mix it up with another statistical bureau which naturally and inevitably expresses the results of its labors in the same symbols is, it seems to me, senseless. The mere fact that the Bureau of Statistics and the Bureau of the Census use figures as the method of expressing the results of their respective labors furnishes no argument that the subjects which they respectively consider are similar, or that their respective lines of work ought to be consolidated.

Very respectfully,

JOSEPH NIMMO, Jr.

STATEMENT OF MR. GEORGE K. HOLMES,

Chief, Division of Foreign Markets, Department of Agriculture.

The CHAIRMAN. Mr. Holmes, the question which we are considering is the advisability of consolidating the Bureau of Statistics of this Department with the Bureau of the Census of this Department. We would like your opinion as to the advisability of so doing.

Mr. HOLMES. I have been entirely unable to find any reason or even excuse for consolidating these two Bureaus. Their work is thoroughly separate. The work of neither Bureau dovetails into that of the other. They do not cover the same ground. They are so thoroughly separate that I do not see why they should be under one head. If the Bureau of Statistics were a very small bureau, doing a small piece of work, it might be well to get it out of sight and put into the Census Office. Of course, that is not the fact. It has a large piece of work and a highly important piece, and it seems to me it ought to preserve its individuality.

The CHAIRMAN. That conclusion is the result of your consideration of the work of the two Bureaus and your best judgment?

Mr. HOLMES. Yes, sir.

Professor WILLIS. Have you ever been employed in the Bureau of Statistics or the Bureau of the Census?

Mr. HOLMES. I had charge of the "Farms, homes, and mortgages" in the census of 1890. I was five years in that Bureau. I have never been employed in the Bureau of Statistics of this Department. Of course, I have some familiarity with its work, but not so very much with regard to the details of its tabulation and the handling of its reports from the collectors.

Professor WILLIS. Do you see that there could be any pecuniary economy in the transfer?

Mr. HOLMES. I have thought of this question, but I do not see where a transfer could save one clerk or one dollar in expense, unless you cut down somebody's salary.

Professor WILLIS. Have you looked into the internal commerce figures at all?

Mr. HOLMES. Of course, they have attracted my attention ever since they first appeared.

Professor WILLIS. Do you think that those could be handled any better on a different basis?

Mr. HOLMES. I think they contain a lot of good matter, but it does seem to me that they cover very much more space than is

needed. The press notice that is given out contains the gist of the monthly report. While I would not reduce the report to the size of the press notice, at the same time it does seem to me that it would be more useful if boiled down.

Professor WILLIS. The proposition that has been here, particularly with reference to the internal commerce work, was on the question whether it could be improved by applying new methods to it, on the ground that it is not now sufficiently inclusive.

Mr. HOLMES. Really I have not thought of that especially at any time, and not at all lately, because I did not know you were considering it.

Professor WILLIS. What do you think is the value of figures on the movement of staple commodities such as are given in the internal commerce figures?

Mr. HOLMES. I believe there is some value in them as related to the quantity of the production. That would be the principal fundamental use of such information. What the trade wants to know is production, and the movement gives some notion of the quantity of the production, and of the quantity held back perhaps for future marketing.

Professor WILLIS. So you think those figures should be maintained and extended, if anything?

Mr. HOLMES. I think they should be maintained, but I would boil the matter down, it seems to me.

Professor WILLIS. You speak now merely of condensation in the presentation of them?

Mr. HOLMES. Yes, that is what I mean.

Professor WILLIS. You don't mean that there should be less of the figures?

Mr. HOLMES. Oh, no; I will not say that.

Mr. AUSTIN. The suggestion has been made that the Statistical Abstract, with which you are of course familiar, might be perhaps better handled by the Census Office or under the charge of an interdepartmental committee which should allot roughly to each Department or statistical section of the Government the amount of space to which it is fairly entitled. What do you think of that suggestion? Do you think there will be any advantage in such a change; and if so, in what manner?

Mr. HOLMES. The Statistical Abstract is a publication that might be made by any competent statistical office, of course; but the Bureau of Statistics has it by right of possession, and has had it so long undisputed that it should not be transferred to another office. I do not see why it should be given to another office. It might be well, however, to have a little council of departmental men to determine the matter that shall go in it. I am not sure but that might be a wise thing to do.

Mr. AUSTIN. On that point, Mr. Chairman, of a closer cooperation between the Departments in supplying matter I would like to say that the officer of the Bureau who has had immediate charge of that abstract for many years tells me it has been his custom to invite the various Departments to suggest any addition which they desire made in the matter coming from them.

STATEMENT OF MR. HENRY C. ADAMS,*Statistician, Interstate Commerce Commission.*

The CHAIRMAN. I have received the following letter from Professor Adams, Statistician of the Interstate Commerce Commission:

INTERSTATE COMMERCE COMMISSION,
DIVISION OF STATISTICS AND ACCOUNTS,
Washington, October 9, 1907.

HON. LAWRENCE O. MURRAY,
Assistant Secretary, Department of Commerce and Labor,
Washington, D. C.

DEAR SIR: In reply to your invitation of September 28, to appear before a committee appointed for the consideration of the possible consolidation of the statistical bureaus of your Department, I would say:

It will give me great pleasure to appear before this committee if there is anything pertinent that I may be able to say upon the question. Whatever I might say would, of course, be without any knowledge upon the particular question involved, and for that reason could not go beyond what may as well be submitted by letter.

In my opinion, the policy of consolidating the administrative supervision over statistics may easily be carried too far. Statistics are of two decidedly different classes, one being for the purpose of securing definite information, and the other for the purpose of rendering immediate and direct assistance to somebody clothed by law with administrative functions. So far as the first class is concerned, the man who is at the head of the statistical bureau ought to be a scientific expert in the class of information with which his bureau deals, and there is great danger in placing such experts under the direction of men who are primarily administrators.

With regard to the second class of statistics, it is wholly out of the question to separate the bureau which deals with them from the administrative institution that makes use of the information gathered. Moreover, the conditions under which such statistics are collected are in large measure determined by administrative needs. This, of course, opens up suggestions too broad and comprehensive in character to be touched upon in this letter.

With regard to the particular question submitted, namely, the consolidation of the statistical bureaus of the Department of Commerce and Labor, I should dislike to express myself without careful consideration of the entire subject. The only purpose of this letter is to say that if, in your opinion, I can be of the slightest service, I should be glad to appear before the committee.

Very truly, yours,

HENRY C. ADAMS,
In Charge of Statistics and Accounts.

STATEMENT OF MR. H. T. NEWCOMB,*Attorney at Law, Washington, D. C.*

MR. NEWCOMB. Mr. Chairman, I appreciate very much the compliment of being called here, but I really can not see why I was called, because I have been out of touch with these questions for so long

that I can not think that I have any opinion that would be of any help to this commission.

The CHAIRMAN. Will you, Mr. Newcomb, give the committee your opinion on the question which you heard me put to Professor Adams?

Mr. NEWCOMB. It seems to me that is a question on which it is very easy to have an opinion without very much knowledge of the facts; and if I should express an opinion to-day, I might hold a different one to-morrow if I should learn something contradictory to the facts I have in mind just now.

I confess to a strong predisposition toward doing these things in the largest possible units, and getting them together under the broadest sort of individual supervision. My ideal has always been that of a great statistical factory headed by a good business man with sufficient education and perception of economic and statistical conditions to weigh the suggestions of his expert advisers—the specialists—and to reduce those suggestions to a comprehensive and balanced plan of action. It seems to me that while the objections to that plan are numerous, they are outweighed by equally numerous and much stronger reasons in favor of it. I think that the quality of statistical work in the Government will be improved by that sort of supervision rather than impaired. I have often said, and I presume members of this commission have heard me say, when I had more to do with that sort of work than I have now, that the thing we need most is a statistical fool-killer—somebody to head off investigations that never ought to be made at all. I think perhaps that would be one of the large advantages.

I appreciate the high quality of the work that is being done by the Bureau of Statistics and the wide range of work that is done there. But its situation seems to be rather anomalous. It has come to do a great deal of work which was not done anywhere else, and ought to have been done somewhere, and which the Bureau is doing admirably; but I am inclined to think sometimes that under the direction of an administrator who had other lines of investigation which sometimes approach pretty closely to those in the Bureau of Statistics the work would be of greater public value and would perhaps be known to have greater public value. We must not only get good statistics here, and be sure that they are accurate, but in order to have the highest utility they must be recognized generally as having that accuracy. If we could have a great permanent statistical bureau, coordinating all these investigations except those that are intimately connected with the administrative work of some great Department, where they must in any event employ the administrative agencies by which the data compiled are obtained, there would be a higher sanction in the public mind for the figures that emanate from the Government.

Mr. AUSTIN. Do you think that the record of foreign commerce pure and simple, and of the relation thereof to the revenue, would be better transferred to the Census Office?

Mr. NEWCOMB. I have always wondered whether that work would not be best done in the Treasury Department directly. It would seem as though that was really the particular accounting of the Treasury Department. But I was thinking especially of the broad range of work that has come to be done in your Department.

Mr. AUSTIN. Then what you had more in mind—not meaning to ask a leading question—was perhaps the internal commerce work and the statistical abstract work?

Mr. NEWCOMB. Yes; the general statistical work, I would say, not the records of imports and exports.

Mr. AUSTIN. But the records of imports and exports you think have a closer relation to the Treasury Department?

Mr. NEWCOMB. It would seem to me that is almost an internal matter. I have been curious to know whether the separation from the Treasury Department has had a good or a bad effect in getting that work done.

I would just like to add this much, because I have spoken rather freely, that it seems to me that this is a question of practical administration for the practical administrators in the Government service, and that if I were in the Government service, and should have to settle it I should not think of settling it without a very thorough investigation. I have not made any such investigation, and the facts and conditions are not now very familiar to me, if they ever were.

The CHAIRMAN. That is what the Secretary is trying to get. He is trying to get the best thought on the subject, inside the Government circles and outside also.

Doctor NEILL. There are one or two matters of general principle, Mr. Chairman, that have a direct bearing on any transfer of this kind, on which I would like to ask Mr. Newcomb a question or two. In your own work, Mr. Newcomb, would you consider that your reputation as a statistician—or, leaving aside your reputation, the appreciation of your own work in railroad lines—is due as much to mere knowledge of statistics and statistical methods as it is to a profound comprehension of railroad problems and railroad affairs?

Mr. NEWCOMB. As Professor Adams just said, statistics is a tool. There must be back of and more important than the knowledge of statistical methods—because that comes easily enough—an adequate comprehension of the problem to be solved. But I do not agree with his notion that the specialist must be in absolute charge of the work. In fact, I have come to think that the specialist is a very dangerous man to have charge of that work. His work is too costly and it goes too far; it goes off into channels that are not worth traversing. Such control does not make for good administration. A competent administrator will do a great deal better. And it is wonderful what the Government gets for a little money in the way of service. I do not think there has ever been any serious difficulty in getting very able men at very low salaries. This work all seems to be done pretty well.

Doctor NEILL. Have you ever held a Government position where you tried to get them?

Mr. NEWCOMB. Yes. I think, perhaps, the problem of getting men in the Census Office when the Census Office had to be organized every ten years was as serious a problem of that sort as was ever undertaken, and it seems to me it was met in a wonderful way. They were able to take in, when the Twelfth Census was organized, men of adequate training, some of whom had passed out of the Government service but were glad to come back, who were amply qualified to take hold

of the work that they took up, and did it splendidly, outside, of course, of my own division—the Division of Agriculture. And they have now the best agricultural statistician in the country; they have the best man in manufactures, and the best man in population. I do not know anything about the vital statistics work as now organized, but I presume they have the best man in vital statistics. And all along the line, down through the divisions, so far as I know anything about them, they have men of such capacity that if they had devoted it to business lines it would have meant exceptional success. No; if you could relieve the Government Departments of the incubus of other sorts of difficulties and impediments to work, men would come in and stay longer and do their work better. The difficulty is not in the salaries that are paid, though I would like to see them very much higher. The difficulty is principally in impediments to good work, which, perhaps, have all been removed now, but in my time they certainly existed.

Doctor NEILL. You are referring to political conditions?

Mr. NEWCOMB. Political conditions.

Mr. NORTH. They have not all been removed yet.

Mr. NEWCOMB. I supposed they had.

Mr. AUSTIN. Mr. Newcomb, of the various classes of work performed by the Bureau of Statistics, which do you consider most necessary to the Government service?

Mr. NEWCOMB. It goes without saying that we must have the statistics of imports and exports, and it is of vital importance that they should be as well kept as is practicable. If I had the decision of such a question—I see where you are going, and I would rather go the whole distance—it does not seem to me now that there could be any question that that part of the Bureau's work ought to go back to the Treasury Department. I should like to see that part go back to the Treasury Department and the rest go to the Census Office. I believe that would be the proper distribution. Then I should like to see some other bureaus go to the Census.

Doctor NEILL. Have you considered the relation between the Bureau of Statistics and the Bureau of Manufactures?

Mr. NEWCOMB. No; as to that I have no knowledge at all.

STATEMENT OF PROF. FRANK H. DIXON,

Of the Interstate Commerce Commission.

The CHAIRMAN. Professor Dixon, will you give the committee your opinion as to whether or not the Bureau of Statistics should be consolidated with the Bureau of the Census?

Professor DIXON. I should prefer to do that in a somewhat round-about way, Mr. Secretary.

The CHAIRMAN. We would rather have it direct, Professor.

Professor DIXON. In order to explain my position, I should like to say in advance that it seems to me that statistics can be used for two distinct purposes. In the first place, general compilations can be made at stated intervals for general information, or they may be used, as Professor Adams stated in his testimony, for specific administrative purposes. To illustrate, it seems to me that the Census

investigation of employees and wages, such as is carried on at the decennial census, would illustrate the first kind of statistics, and the child labor investigation by the Bureau of Labor would illustrate the second. I feel very strongly that statistics which have an administrative purpose should be kept within the Department which is intrusted with the administration of that specific law. I feel that the success of the Interstate Commerce Commission has been in considerable measure due to its statistical division, and I do not believe that work could have been accomplished if it had been carried on under a large general statistical bureau which was concerned merely with statistical compilation. Professor Adams's direct contact with the railroad auditors and comptrollers in the administration of the statistical division has been of immense value to the Interstate Commerce Commission all the way through; and I should say that the transfer of that division, for example, to a large statistical bureau would very greatly weaken the efficiency of the whole interstate commerce law.

Professor WILLIS. It has been stated here that that is exactly what is proposed—to transfer the statistical work to the Census Bureau.

Professor DIXON. Of the Interstate Commerce Commission?

Professor WILLIS. Yes. Are we correctly informed about that?

Professor DIXON. Proposed by the Interstate Commerce Commission?

Professor WILLIS. Yes.

Professor DIXON. Well, of course, I am a very new employee of the Interstate Commerce Commission. I could not answer that. I never heard any such rumor.

Professor WILLIS. Your statement there is particularly interesting to me in view of what we have heard said about that.

Professor DIXON. I do not imagine that any such proposition ever came from the Interstate Commerce Commission.

The CHAIRMAN. As I remember the testimony, it was to the effect that the Interstate Commerce Commission was not going to enlarge its field of statistics, but on the other hand might want to curtail it; at least, it was not going to enlarge its statistical work, and I think one of the witnesses said they wanted to get rid of some of it.

Professor WILLIS. I understood Mr. North to say that the proposition was to transfer all that to the Census Bureau.

Doctor NEILL. I was not present when that statement was made, but my understanding of the matter is that the Interstate Commerce Commission feels that it is at the present time carrying on administrative and judicial functions, and that the Commission feels that its judicial functions should be reserved to it and that the entire administrative work should be transferred to an independent bureau of transportation, which would probably enlarge the sphere of work rather than diminish it. As an illustration, it would take charge, say, of the administration of the safety appliance law, and the enforcement of all laws, and the only question left to the Commission would be whether this or that particular thing was a violation of law.

Professor DIXON. Now it seems to me, to take up the specific question, that there are several different lines of work carried on by the Bureau of Statistics that might properly be transferred to the bureau concerned with the administration of the specific law. The

matter of transferring the commercial statistics of imports and exports to the Treasury Department has been referred to several times this morning. I should most heartily favor that. It seems to me that the primary function of these statistics is to administer the customs service, and that they should be in charge of the customs division.

The CHAIRMAN. Of course, that would require legislation, Professor Dixon, and that is not under discussion. We are directing our attention to something that can be done by administrative order.

Professor DIXON. I should favor the taking over by the Census Bureau of the part of the work of the Bureau of Statistics which is concerned with general compilation—the Statistical Abstract, for example. The water transportation, I should hope, would eventually go to the Interstate Commerce Commission, if the law is extended, as I hope it will be, to cover water transportation. My answer can not be specific, because I am not practically conversant with the Government Departments; but my feeling is that the Census Bureau should have charge of only general compilation, and that compilations which are concerned with specific administrative work should be left to the bureaus having charge of that work. I am afraid I do not answer your question directly, Mr. Secretary.

The CHAIRMAN. I think I get your view, Professor Dixon, very well. Specifically, you think the Statistical Abstract might well be transferred there, do you?

Professor DIXON. Yes, sir.

The CHAIRMAN. You doubt very much the advisability of transferring the internal commerce work and the foreign and domestic imports?

Professor DIXON. Yes, sir; at the present time.

The CHAIRMAN. Your opinion would be that all transportation questions, so far as good organization is concerned at least, should go to the Interstate Commerce Commission, which has charge of transportation?

Professor DIXON. I should think so.

The CHAIRMAN. And that the ideal arrangement would be for the figures on foreign and domestic imports to go back to the customs division of the Treasury?

Professor DIXON. Yes, sir.

The CHAIRMAN. We are very much obliged to you, Professor Dixon. Would you like to submit a little memorandum in writing, supplementing your ideas on the question?

Professor DIXON. I do not feel that I could say anything more than I have said this morning.

Thereupon, at 11.40 o'clock a. m., the committee adjourned, subject to the call of the chairman.

NINTH DAY.

WEDNESDAY, *November 6, 1907.*

The committee met at 9.30 o'clock a. m. in the office of the Assistant Secretary of Commerce and Labor.

Present: Messrs. Murray (chairman), North, Austin, and Willis.

STATEMENT OF MR. WILLIAM BOYD HUNTER,

Special Examiner, Bureau of Corporations, Department of Commerce and Labor.

The CHAIRMAN. Mr. Hunter, what experience had you in statistics before your appointment in the Bureau of Corporations?

Mr. HUNTER. I was in the Census Office from July, 1900, to April, 1904. Prior to that time I had collegiate training in statistical work.

The CHAIRMAN. What work were you engaged on in the Census Office?

Mr. HUNTER. I was in the Division of Methods and Results, of which Prof. Walter F. Willcox was chief statistician during the first part of my service. During the last year I was in charge of the division. My work consisted of the supervision of the details of the preparation of the Abstract of the Twelfth Census, the outlining and supervision of the preparation of tables to be used in a critical analysis of the results of the Twelfth Census, and the editing of the bulletins published from the Division of Methods and Results.

The CHAIRMAN. Are you familiar with the publications of the Bureau of Statistics of this Department?

Mr. HUNTER. I have not had time to become thoroughly familiar with them, as I have been out of town a great deal since I received the notice to appear before this committee.

The CHAIRMAN. You know the purpose of this hearing, Mr. Hunter?

Mr. HUNTER. Yes.

The CHAIRMAN. The main question is whether or not the Bureau of Statistics should be consolidated with and made a part of the Bureau of the Census. On that main question, what is your opinion?

Mr. HUNTER. I think the work could be done better under separate bureaus. In my judgment, the present work of the Bureau of Statistics, together with some other work which might be transferred to it, is sufficiently distinct from that of the Bureau of the Census and of such importance and coherence as to call for a separate bureau in the organization of the Department of Commerce and Labor.

The CHAIRMAN. Do you think there is any part of the work of the Bureau of Statistics that is more closely allied with the Bureau of the Census than it is with the Bureau of Statistics, and might be transferred with advantage?

Mr. HUNTER. The only part that occurs to me of which that might be true is the Statistical Abstract. It seems to me the Abstract ought to speak for all the statistical work of the Government, and its contents and the form of presentation should more properly be decided by a committee on which the various statistical bureaus were represented, and then the clerical preparation of it under the general direction of that committee might possibly be more advantageously done in the Census Office. The place of its clerical preparation does not seem to me to be very important.

The CHAIRMAN. Assuming that the Abstract were transferred to the Bureau of the Census, don't you think it would be a better plan to have the Director of the Census call the representatives of other Departments together with him for a conference, and as a result of such conference that he direct the entire publication? Would not that be better than having a committee direct any governmental publication?

Mr. HUNTER. I think the chief officers of the different bureaus should have more voice in the contents of the Abstract than that would give them. Were they members of a committee to decide the various questions that would come up, they would have more influence than they would as mere advisers to the Director of the Census. Furthermore, the committee plan gives an opportunity to select from the experts in the Government service the men especially qualified for this work and thus bring to it a knowledge and efficiency which can not be secured in any one bureau.

I had experience in the preparation of the Abstract of the Twelfth Census, which covered the ten large volumes published by four separate divisions of the Bureau of the Census. A committee had the matter in hand, and I had charge of the work, under the direction of that committee. My opinion on the present question is based largely on that experience.

The CHAIRMAN. Well, I must say I am not in favor of governmental publications being directed by committees. I think it is illogical, cumbersome, and entirely unnecessary; it leads to confusion, slowness of publication—

Mr. NORTH. No responsibility?

The CHAIRMAN. And no responsibility in the end. In other words, every one man can get out from under, and say it is the indefinite, soulless committee that did it. I do believe in having every Department represented, and apportioning out the part of the Abstract which each Department wants, but then I believe that one man must be responsible for its publication.

Now, aside from the Abstract, Mr. Hunter, you think that there is nothing there that could properly be transferred to the Bureau of the Census?

Mr. HUNTER. I think not.

The CHAIRMAN. Have you any suggestion to offer as to the consolidation or transfer of any other statistical work from the Bureau where it now is to any other existing Bureau of this Department?

Mr. HUNTER. I believe the Bureau of Manufactures should be consolidated with the Bureau of Statistics.

The CHAIRMAN. What is your reason for that suggestion, Mr. Hunter?

Mr. HUNTER. The statistics of foreign and domestic commerce and the publication of helpful trade information is properly but one field, and I see no reason for having two bureaus in it.

The CHAIRMAN. Is that all the suggestion you would make as to the rearrangement or retransfer of statistical work in this Department?

Mr. HUNTER. Yes.

Mr. AUSTIN. Mr. Hunter, I infer from your suggestion with reference to the Statistical Abstract that you think it could be better prepared by the Census Office than by the Bureau that is now preparing it. What are your reasons for thinking that?

Mr. HUNTER. I do not think, Mr. Austin, that that was my remark. I said that while the contents of the Abstract should be decided upon by a committee, possibly the tabular work could be done there more advantageously. That would depend entirely upon the clerical force of the Bureau of Statistics. If the Bureau of Statistics has the clerical force to do the work properly without interfering with its

more regular duties, I see no reason for transferring it to the Bureau of the Census.

Mr. AUSTIN. Don't you think, Mr. Hunter, that the experience of forty years in the preparation and publication of the Abstract in the Bureau of Statistics—I think it is just about forty years since it was begun—would be of sufficient importance to warrant serious consideration as offsetting the additional advantage of an office having a large number of clerks?

Mr. HUNTER. That should be considered. The Bureau of Statistics no doubt has men who have become familiar with such work, and there would be some loss if they did not continue on it.

Mr. AUSTIN. You understand that the annual work upon the Abstract is not a compilation of all the matter which is in it, but merely the addition year by year of the later figures? Had you that in mind when you suggested that the larger force of the Census might be an advantage in the compilation of the Abstract?

Mr. HUNTER. As I said, I judge it to make little difference where the mere clerical work on the Abstract is done, and in fact I think it better to have each bureau prepare the manuscript of the tables which the committee decides are to cover the work of that bureau. Each bureau could prepare the copy for the tables abstracting its work more accurately and at less cost than could be done by any other bureau, because of its familiarity with the material to be abstracted. But the committee should decide on the identical form of every table, after considering such recommendations and information as it chooses to request of the officers of the various bureaus. The proof reading and other work incidental to the printing of the volume should be placed in some one office.

The CHAIRMAN. Mr. Hunter, is this a fair statement of your argument in regard to the Statistical Abstract—that while you do not know of any particular economies that might be effected in the way of saving money by the transfer, still on general principles you believe that the one great statistical abstract of the United States should be published by the one largest governmental statistical bureau?

Mr. HUNTER. No; I do not think that need necessarily be the case.

The CHAIRMAN. I do not see that there is anything to your argument, then. You have no reason for your transfer.

Mr. HUNTER. I am not making an argument for the transfer.

The CHAIRMAN. No; but if you can not save any money and do not theoretically benefit your organization, what do you lead up to? You lead up to a transfer just for transfer's sake, which would be a useless thing to do. You either benefit your organization as a governmental organization, or you save money, or you don't do anything. Am I right about that, Mr. North?

Mr. NORTH. I think you have stated it just about as it is.

The CHAIRMAN. If you don't get a better organization or save funds for the Government, you had better leave it where it is, because otherwise it would be going around Robin Hood's barn to do nothing. Now, then, what is your argument for the transfer?

Mr. HUNTER. I would not recommend a transfer unless certain conditions exist which I do not now know to exist. If the Bureau of Statistics is able to do that work without interrupting its other

work—that is, if its clerical force is large enough so that when it comes time to prepare the Abstract it can do it—I see no reason for making a transfer. On the other hand, if the Abstract is made to cover some ground which it does not cover now, and the Bureau of Statistics would not be prepared to do that additional clerical work, then perhaps there would be an advantage in having it done in the Census Office.

DIGEST OF LETTER FROM MR. JOHN FRANKLIN CROWELL,

Formerly Internal Commerce Expert, Bureau of Statistics, Department of Commerce and Labor.

Mr. John Franklin Crowell, formerly chief of the Division of Internal Commerce in the Bureau of Statistics, and now connected with the Wall Street Journal, of New York, in a personal letter to the chairman of the committee, which is not made a part of the record, speaks from the standpoint which the business world makes of Federal statistics, and submits views of which the following is a digest:

The grouping of the several statistical bureaus under one Department has furnished the desired extent of unification and common control necessary for their best administration, and any further consolidation within the Department would have the effect of impairing the efficiency of the bureaus concerned or of reducing greatly the public interest in their work. The Bureau of the Census, the Bureau of Labor, and the Bureau of Statistics occupy such distinct fields of statistical inquiry as to make it highly inadvisable, from the standpoint of their relation to the public use of statistics, to consolidate one with another.

Under consolidation the possibilities of each developing to a greater mastery of its own field would be largely cut off, as no one mind is broad enough to be at once in adequate touch with three great departments of statistical inquiry and publication, and the result would be to create but a recording agency, whose work would lack the element of timeliness in their service to the commercial public.

For the good of the service, from the administrative and from the outside standpoint, it is to be hoped that the Department may see its way clear to develop these bureaus into more comprehensive mastery of their distinct fields rather than to subject them to a process of devolution by which their worth must be fundamentally impaired.

Mr. Crowell inclines to the opinion, however, that there ought to be no division in the efforts to master the statistical problems relating to commerce. For that reason he believes that the best ends of all concerned would be served if the work done by the Bureau of Manufactures, which belonged originally to the Bureau of Statistics, were reincorporated with that of the latter Bureau.

STATEMENT OF MR. J. N. WHITNEY,

Chief Clerk, Bureau of Statistics, Department of Commerce and Labor.

The CHAIRMAN. I have a letter from Mr. Whitney, dated the 4th instant, which I will read first. On the question as to whether or

not the Statistical Abstract should be transferred from the Bureau of Statistics to the Bureau of the Census, Mr. Whitney writes as follows:

DEPARTMENT OF COMMERCE AND LABOR,
BUREAU OF STATISTICS,
Washington, November 4, 1907.

MR. LAWRENCE O. MURRAY,
Chairman of the Statistical Committee.

SIR: Having been for a long time in charge of the preparation of the Statistical Abstract of the United States, published by this Bureau, I beg leave to submit the following reasons why, in my opinion, the Abstract should not be transferred from this Bureau to the Bureau of the Census:

The first Statistical Abstract prepared by this Bureau was that for 1878 and was commenced at the instance of Hon. John Sherman, then Secretary of the Treasury, and was placed under the direction of Mr. Joseph Nimmo, jr., then chief of this Bureau. Mr. Sherman had for some time this object in view, and being especially interested in finance and commerce it was natural that the Abstract at its inception should deal largely with those subjects.

The Abstract has been in great measure under my direction from the time it was started until the present time. A great deal of care has been devoted to its compilation; the Bureau has sought the aid of officers of the Government, and economists outside of the Government, in its development, and when it could be ascertained from any source that there was any new line of statistics for which reliable data were accessible for a series of years, whether of public or private origin, in regard to the material industries of the country it has been included in the Abstract.

The main idea controlling the preparation of the Abstract at its inception, and which has been continued throughout the series, has been that it should be confined to United States statistics corresponding mainly to the British Statistical Abstract of the United Kingdom, which has always been considered an admirable publication and one of the most useful for consultation in regard to the development of commerce, finance, etc., of the United Kingdom.

With the view that the Abstract should be confined entirely to United States statistics, practically all foreign matter has been excluded from it; only in four instances has this been departed from, and then against my recommendation, as it was my idea that this Abstract should be confined to home subjects and that ultimately another Abstract would be prepared somewhat similar to the British Abstract, of the principal and other foreign countries, which should include foreign statistical tables. In pursuance of that idea the Bureau has already published two installments of an Abstract of the principal and other foreign countries; and it is my recommendation that the United States abstract should be continued in its present form, excluding all statistics of foreign matter.

In preparing the Abstract it has been customary down to a recent period to send out the tables each year to the various heads of bureaus and sources of origin of the data, with a request for the correction of the tables if any errors were discovered in the figures of prior years, the insertion of the statistics of an additional year, and the

suggestion of any other tables relating to the business of their respective offices, which would show for a series of years valuable information. During the whole period when this was done, very few, if any, suggestions came from the various Government Departments as to additional matter which would be of interest to be shown in the Abstract. The Bureau has, however, received valuable suggestions from private parties as to lines of statistics which it might be desirable to show in the Abstract, and has given careful consideration to suggestions from any quarter as to the presentation in the Abstract of any valuable statistics which could be prepared for a series of years from reliable data.

The Abstract has naturally been of gradual growth, and most of the tables contained therein have been originated by the Bureau. It has not been thought to be in harmony with the general scheme of the Abstract to include figures which could only cover one or two years; the general idea being that statistics should be for so many years as to make it possible to draw deductions therefrom covering a reasonable period.

The Bureau has also always given careful consideration to any criticism in regard to the arrangement of the Abstract tables which has emanated from any source whether public or private.

The Abstract has received the highest commendations of any of the publications of the Bureau, and in few instances have its arrangement and accuracy been adversely criticised; this is the more remarkable from the fact that it has gone extensively into leading libraries and into the hands of economists, professors of colleges, and other persons interested in financial and commercial matters.

I think the suggestion made in the course of the present inquiry that the Abstract should be transferred to the Census Bureau injudicious and based on too little examination into the subject. Very little matter—comparatively about 10 per cent—of the wide range of statistics embraced in the Abstract is of census origin, and I can see no better reason for transferring it to the Census Office than to the Agricultural or Treasury Departments, both of which have furnished considerable data.

As previously stated, the preparation of the Abstract has been largely in my hands from the beginning to the present time, a period of about thirty years, assisted by trained clerks whose service and experience also covers a long period. This experience has an important bearing upon precision and facility in the work, many of the tables involving, as they do, methods not readily apparent to those unfamiliar with them. For instance, the adding of the later years' figures to the tables of duties collected on imported merchandise, imports and exports by articles, in transit and warehouse merchandise, etc., covering several years, requires a knowledge of our schedules of articles imported and exported, etc., past and present, the laws and regulations of the Treasury Department, as well as of this Department, governing the entries and clearances of merchandise at the various custom-houses governing our inward and outward foreign commerce; also a considerable knowledge of our tariff laws, all of which technicalities can only be acquired by long experience and training.

The growth of the Abstract, little by little, from a small book of *about 150 pages* to the present volume, embracing 700 pages, has

occasioned a great deal of investigation, inquiry, and correspondence, the details of which form a part of the files of the Bureau of Statistics and also of the experience and knowledge of those intimately connected with the work.

It is the custom of the editors of the various statistical annuals in this and other countries to send their pages each year to the Bureau of Statistics for the addition of later data. We have thus, during all these years, established a close relationship with prominent statisticians and foreign government officials which aids us materially in securing needed documents and data from sources at home and abroad. The Statistical Abstract has become thoroughly identified in the public mind with the Bureau, where it originated and where it was developed.

The compilation of the Abstract is not a matter in which the punching machine can be used; therefore it must be compiled in the same manner as has been done in this Bureau. It would seem to be a matter of doubtful expediency to transfer the Abstract from the Bureau which originated it, and in which it has been prepared to the marked satisfaction of those consulting it, to another Bureau where its preparation will be in new hands and its success will be more or less experimental. It would seem better policy for a committee on statistics, constituted in the Department, to suggest new or modified statistics.

Very truly, yours,

J. N. WHITNEY,
Chief Clerk.

APPENDIX.

The following table shows, with respect to statistical abstracts of the most important countries of the world, the total pages, number of pages devoted to commerce and navigation, and per cent of total:

Country.	Total pages.	Pages devoted to commerce and navigation.	
	Number.	Number.	Per cent.
Austria.....	484	70	14
Belgium.....	446	26	5
Canada.....	340	46	13
Finland.....	447	34	7
France.....	550	33	6
Germany.....	443	110	25
Hungary.....	532	35	6
Italy.....	688	60	9
Japan.....	225	42	19
Netherlands.....	310	52	17
Russia.....	747	60	8
Switzerland.....	360	34	10
United Kingdom.....	376	210	57
United States.....	710	365	51
British abstracts:			
1. Statistical abstract of the United Kingdom.....	376	210	57
2. Statistical abstract for the British Empire.....	192	137	71
3. Statistical abstract for the several British Colonies, possessions, and protectorates.....	466	240	51
4. Statistical abstract relating to British India.....	282	66	23
5. Statistical abstract for the principal and other foreign countries.....	374	217	58
6. Abstract of labor statistics for the United Kingdom.....	260	5	2
7. Abstract of foreign labor statistics.....	348		
8. Agricultural statistics.....	306	58	22
Total.....	2,604	942	32

Professor WILLIS. Mr. Whitney, do you know what the actual cost of getting out the Statistical Abstract is now?

Mr. WHITNEY. No, sir, I do not, as we have no records in the Bureau of the cost of the various publications. I presume that our friend Doctor Havenner could tell you that.

Professor WILLIS. He would hardly be able to tell the cost of compilation. That is what I refer to now.

Mr. WHITNEY. Well, I should say that the work of perhaps one clerk is devoted to the preparation of the tables.

Professor WILLIS. That is, continuously employed throughout the year, you mean?

Mr. WHITNEY. No. I should say that about the work of one clerk—perhaps not all of his time because there is the season from, say, about June 30 to December that we can get these statistics. His time is pretty thoroughly occupied during that period and he has some help besides.

Professor WILLIS. That would be one-half of one clerk.

Mr. WHITNEY. I think I will modify my answer by saying that a portion of the time of a couple of clerks is required for this work during that time. I should say that probably two-thirds of the time of a clerk would cover all that is done.

Professor WILLIS. And what percentage of your time is devoted to the Statistical Abstract?

Mr. WHITNEY. Well, not so much at the present time as several years ago.

Professor WILLIS. What I want to get at is the amount of supervisory attention that is called for.

Mr. WHITNEY. Well, I supervise what shall go into the Abstract, and to a considerable extent, with Mr. Austin, the form in which the tables shall be presented.

Professor WILLIS. Then, on the basis of that, can you not estimate the cost of compilation?

Mr. WHITNEY. I should not say that the cost of compilation was more than \$1,800.

Professor WILLIS. You estimate the cost of the Statistical Abstract—

Mr. WHITNEY. I mean in its compilation.

Professor WILLIS (continuing). Yes, as made ready for the printer, at \$1,600 per annum?

Mr. WHITNEY. Yes.

The CHAIRMAN. Have you any other statement you want to make in addition to the statements contained in your letter?

Mr. WHITNEY. I have nothing in particular in regard to the abstract than is contained in that letter.

The CHAIRMAN. Have you any other views on the whole question which we are considering?

Mr. WHITNEY. Yes; I have very positive views as to the expediency of transferring the Bureau of Statistics to the Census Office.

The CHAIRMAN. What is your opinion on that question?

Mr. WHITNEY. I am opposed to it. I think that the idea in legislation has always been that the Bureau of Statistics should be a bureau of a department. In 1844 Mr. Pratt, of New York, attempted to have a bureau of statistics and commerce established, and the Bureau was established in 1866. It was then made a bureau, and it has

been a bureau, with the exception of about a year or so, for fifty years, and has become identified in the mind of the public and the foreign governments as a bureau of a Department, giving it standing and dignity. Now, I think that when the Bureau was formed, if the legislators had had an idea that it should be a division, they would have placed it in the Register's Office, and enlarged the then Division of Foreign Commerce. After 1821 the Report on Commerce and Navigation was prepared in a division of the Register's Office, but when the legislators created the Bureau of Statistics they made it a bureau and consolidated this division of the Register's Office with it. And so far as I have had the opportunity to hear the criticisms of various Members who have visited the Bureau, they have, some of them, when they have been tired out with running around between various Departments to collect statistics, made the remark that they thought all the statistics should be collected in one place; but I think it was rather more from the inconvenience of going after them in several places than from having any definite idea of how the thing should be done.

The CHAIRMAN. What do you think, Mr. Whitney, of making one bureau out of the Bureau of Statistics and the Bureau of Manufactures—in other words, consolidating these bureaus?

Mr. WHITNEY. I think it might be well to have the publication of the Consular Reports restored to the bureau where they used to be. So far as the Bureau of Manufactures is concerned, I am not sufficiently familiar with all its ends and objects to say that it should also be transferred to the Bureau of Statistics. I think it has a wide field of development, and perhaps sufficient for one man to remain the chief of that Bureau. I do not believe in the consolidation of bureaus or offices which have entirely different objects in view. The work and purposes of the Bureau of Statistics are, I think, entirely different from anything in the Census Office. Its statistics are largely based on laws and regulations, which laws and regulations are largely controlled by the Treasury Department, and the statistics of the Bureau depend largely upon the technicalities of the laws or regulations established by the Treasury Department.

There is one remark I would like to make in this connection. I see that the object of this investigation is to improve the statistics. The best way to improve the statistics of the Bureau is to amend the laws under which we are collecting statistics. The law in regard to statistics goes back to 1820, when we did not have a steam vessel; I do not think we had cars, or steam communication to any extent. The law is defective, and I think that if the energies and intelligence of the Department were devoted to perfecting the laws under which we are collecting statistics, a great deal better statistics would result.

STATEMENT OF MAJ. JOHN M. CARSON,

Chief, Bureau of Manufactures, Department of Commerce and Labor.

Major CARSON. Not knowing what the scope of the inquiry is, so far as it relates to the Bureau of Manufactures, I do not know how to address myself to the point made by the witness here, Mr. Hunter, that the two Bureaus should be consolidated. That was an expression of an opinion without any reason behind it.

Mr. NORTH. The reason which some of the other witnesses have given, Major, is that the work of the two Bureaus is so nearly identical that the division of that work between the two Bureaus is a scattering of force.

Major CARSON. On that point, the work of the Bureau of Manufactures, as defined in the act of Congress, is "to foster, promote, and develop the various manufacturing industries of the United States and markets for the same at home and abroad, domestic and foreign, by gathering, compiling, publishing, and supplying all available and useful information concerning such industries and such markets," etc. That is the language of the act. Owing to inadequacy in the force of the Bureau, and other reasons that need not be explained, there has been no attempt to do anything in the way of promoting domestic commerce, so that the labors of the Bureau have been confined almost entirely to foreign fields. In that work what is needed is a knowledge of foreign markets, physical, economical——

Mr. NORTH. Statistical?

Major CARSON. I do not admit that; but, as I said, physical, economical, and industrial conditions, national resources of the country, and also a knowledge of the people, their tastes, habits, requirements, and their ability to purchase per capita. In that work the matter of statistics, as it is understood here, is not needful nor essential. The man who is looking for foreign markets, having first learned the conditions I have described, may inquire as to the amount of a particular product that is in demand, but he does not care whether it be nine million dollars or whether it be ten or twelve millions. He gets figures that approximately measure quantities or values, and that enable him to determine the volume of trade in a particular line. For the purposes of the Bureau of Manufactures and of the man seeking entrance to foreign markets, last year's statistics are as good as this year's, because with current information received from our consular and other officers we know generally whether the business is increasing, standing still, or falling back. Accurate statistics prepared by the statistical departments are not and can not be available for months after the close of the period for which prepared. Therefore I do not think the matter of statistics is at all essential in the work of the Bureau of Manufactures in promoting trade and commerce. It is possible that the Bureau of Manufactures might be made more forceful if it were to extend into the field of statistics, on the theory that a large body has greater force than a small one, and as a matter of economy in administration it might be a good thing, but I do not believe the addition would insure increased efficiency simply on that account.

Mr. NORTH. Is there any single function of the Bureau of Statistics which could not be carried on harmoniously in connection with the study of the physical and economical conditions?

Major CARSON. Not at all. But the collection and compilation of statistics do not involve nor require incursion into metaphysics. It is the business of the statistician to make his figures accurate. It is for the statesman, the student, the merchant, or other inquirer to institute inquiry into causes that produced them. If the Bureau of Statistics and the Bureau of Manufactures were under one administration, the two bureaus would have to be distinct in organization, as they are now, if the highest degree of efficiency is to be attained.

Professor WILLIS. Let me interrupt you right there, Major Carson.
Major CARSON. Certainly.

Professor WILLIS. It would be an advantage, would it not, to have the Bureau of Statistics and the Bureau of Manufactures under the same roof, in the same building?

Major CARSON. Yes. If the Bureau of Statistics and the Bureau of Manufactures were under the same roof, I think the efficiency of each would be increased and economy in administration secured.

Professor WILLIS. That is, you would be able to use the library jointly, and all of this difficulty about duplicating libraries would be avoided.

Major CARSON. That surely would be avoided, and then again there are things in common, perhaps, about which consultation would be had. That is true, however, of other bureaus of our Department.

Professor WILLIS. Do you think of any special things along the line of consultation?

Major CARSON. Outside of the library question, we could consult with regard to figures received from consuls, which we find sometimes are not strictly accurate. They are close enough, however, for all purposes of comparison and practical utility, but are not strictly accurate, and therefore liable to be challenged by those whose business is statistics. Of course, in that way we would be able to correct inaccuracies.

Mr. NORTH. Would it not be an advantage to have the consular reports and the statistics of exports and imports edited and published in the same bureau?

Major CARSON. There are many things connected with that inquiry. There is the matter of this general information of which I spoke and which I regard as essential. It ought to be in one place and under one direction.

Mr. NORTH. It is now scattered between the two bureaus?

Major CARSON. Oh, no. The Bureau of Statistics has no information with regard to these business conditions to which I have alluded. For instance, growing out of the publication of these reports, we have collected between 80,000 and 100,000 names of people who are doing foreign business in different countries; and, on the other hand, we have segregated the names of people engaged in principal industries in this country, the purpose being to bring together these two elements who are seeking each other. That has grown up out of the publication of the consular reports.

Mr. NORTH. That could all be consolidated and concentrated in one bureau without any detriment.

Major CARSON. It is now concentrated in one bureau. Of course you could combine the Bureau of Statistics and the Bureau of Manufactures without material injury, and, as I have said, that might make both bureaus much more forceful.

Mr. NORTH. In other words, it would concentrate all the work of the Department that had to do with foreign commerce in one bureau?

Major CARSON. In one bureau; yes.

Mr. NORTH. Would not that be good administration?

Major CARSON. It would be good administration. Whether it would be as effective is a question that could be determined only by experience. The fields of manufactures and of statistics are entirely distinct and separate, in my judgment.

Mr. NORTH. A study of the laws under which the Bureau of Statistics was established indicates that Congress meant that Bureau to promote foreign commerce in many ways. Is not that true, Mr. Austin?

Major CARSON. I do not know what the language is about the Bureau of Statistics; but there can be nothing more positive and mandatory in any expression than that which is found in the section constituting the Bureau of Manufactures.

Mr. NORTH. The same statements are found in the laws relating to the Bureau of Statistics.

Major CARSON. That is a conflict which Congress alone can reconcile.

Mr. AUSTIN. The law directing the Bureau of Manufactures to perform that service is a much later law than that which assigned that duty to the Bureau of Statistics.

Mr. NORTH. And yet you consider that still a part of the duty of your office, do you not?

Major CARSON. The later law always prevails.

Mr. NORTH. You consider your weekly press bulletins, analyzing the statistics of exports and imports, as a part of the function of promoting our foreign commerce, do you not?

Mr. AUSTIN. Yes; the primary purpose is to give the information to the commercial public, and, of course, the purpose of that is to promote foreign commerce.

Professor WILLIS. I do not know that you could say that those were factors in promoting foreign commerce.

Mr. NORTH. They indicate its development.

Professor WILLIS. For example, take the bulletins about cotton ginning, which are of immense service to the growers of the world. I would not say that they tended to promote commerce. They assist in the making of the price, of course, but I think those would be on the same plan as Mr. Austin's press bulletins.

Mr. NORTH. Except that Mr. Austin's press bulletins relate almost wholly to foreign commerce proper.

Mr. AUSTIN. Oh, of course, the work of the Bureau of Statistics in recording facts with reference to foreign commerce is intended for the information of those interested in its development, and to that extent it promotes foreign commerce.

Mr. NORTH. Yes. Why should not these press bulletins be made a part of the Daily Consular Reports? Why don't they properly belong in that publication?

Mr. AUSTIN. Well, they relate—

Mr. NORTH. They relate to foreign commerce.

Mr. AUSTIN. They relate to the foreign commerce of the United States, as a rule, while the Consular Reports relate to the other side of it—to commercial conditions in other parts of the world.

Mr. NORTH. But affecting American commerce?

Mr. AUSTIN. It is information that it is presumed our own people desire.

Mr. NORTH. As the Department publishes a daily paper devoted to foreign commerce, why should not all the information that it publishes in regard to foreign commerce be contained in that paper? Major, what have you to say in regard to that?

Major CARSON. I have thought that those blue sheets which the Bureau of Statistics issues should appear in the Daily Consular and Trade Reports. I do not think, however, that it is possible for the Bureau of Manufactures to prepare them, for we have not the data to do that. If that material, when prepared, was furnished to the Bureau of Manufactures for publication, it would not only reach the field into which it goes now, but would be placed in the hands of thousands of active business men throughout the country.

Professor WILLIS. Major Carson, suppose you had a bureau called the "Bureau of Statistics and Manufactures," or the "Bureau of Foreign and Domestic Commerce," or the "Bureau of Foreign Commerce," or any other name—at any rate uniting the functions of these two Bureaus, and having the personnel all in one place. Would that be an advantage over the present system?

Major CARSON. It would be an advantage. It would save expense and it might add to efficiency of administration. In regard to those blue sheets, I want to say, if I did not make it clear, that if issued by the Bureau of Manufactures the material would have to be prepared, as now, by the Bureau of Statistics. We have no means of doing it.

Mr. NORTH. Under present conditions; but if the two Bureaus were consolidated, then all the information would be compiled in the same office.

Major CARSON. It would be under the same roof, as Professor Willis suggests; but the same people would have to prepare it. We have no material, nor are we organized to obtain that kind of material.

Mr. NORTH. At present.

Major CARSON. At present.

Mr. NORTH. I agree to that, of course.

Major CARSON. But if we consolidate the two, then we would have the agency under one administration that now collects that material.

Mr. NORTH. So as to cover the whole field of foreign commerce?

Major CARSON. Exactly. In the same way, though, Mr. North, you might extend the roof over a number of departments of the Government.

Professor WILLIS. Just as you now do in the State, War, and Navy Departments.

Major CARSON. Yes; and there are a number of things in that line that would logically follow. For instance, the Bureau of Statistics gets its figures from the Treasury. By the same course of reasoning the customs officers should send their figures direct to the Bureau of Statistics.

The CHAIRMAN. They do, don't they?

Mr. AUSTIN. Yes.

Major CARSON. I thought you got them through the Treasury.

Mr. NORTH. Then, in a word, Major, the situation is that we have in one Department two Bureaus, both dealing with foreign commerce?

Major CARSON. Yes; one promoting foreign commerce and the other simply recording what is done, and after it is done. The Bureau of Statistics can take no initiatory steps in foreign commerce. They must wait until the field has been cultivated and the crops gathered, and then they go as a gleaner and gather up. They do nothing to promote foreign commerce. The Bureau of Manufactures is the agency

appointed for that purpose, and that is what it is doing. There is nothing at all inherent in the Bureau of Statistics that would direct it into that field.

Mr. NORTH. Except the law?

Major CARSON. The law does not exist for that. But I agree that, consolidated in one mass, you would get more economical service.

Mr. AUSTIN. How more economical, Major? In what way would that be an economy?

Major CARSON. Well, there would be economy of service in various ways. You have a library and a man to take care of it; we have more or less of a library, but have no one to take care of it. You have messengers and various agencies of that kind that would be saved.

Mr. AUSTIN. Would not the same amount of clerical force and messenger force be necessary if you bring together the two Bureaus?

Major CARSON. I do not think you would save anything in clerical force, because I think the Bureau of Statistics, if you consolidated the two Bureaus, would have to be kept as an entity as it is.

Mr. NORTH. In one division?

Major CARSON. In one division.

Mr. NORTH. Of course.

Major CARSON. But I do not agree with Mr. Austin that the retransfer of the Consular Reports to the Bureau of Statistics would be a good move. I think it would be like turning back the hands of time to do that.

The CHAIRMAN. Mr. Austin has not made that statement. Mr. Whitney made it.

Major CARSON. I understood that Mr. Austin thought the Consular Reports ought to go back to the Bureau of Statistics.

The CHAIRMAN. That was Mr. Whitney's argument.

Mr. NORTH. Don't you think, Major, that, as a principle, all publications of one Department that relate directly to foreign commerce should emanate from one bureau?

Major CARSON. Well, yes; I think it would be better if they did emanate from one bureau.

The CHAIRMAN. We have just begun putting that in practice in another way. For instance, the Coast and Geodetic Survey have for years and years issued a monthly notice to mariners in regard to the changing of charts, etc. The Light-House Service has issued a notice to mariners weekly. Thus we had two separate pamphlets, each with separate mailing lists, etc. It occurred to me that one Department ought to issue but one notice to mariners, and let that one notice contain all the information, no matter in what bureau it originated. So I have consolidated them, very much against the protest, however, of the different bureaus; but it will be a saving of a good deal of time in preparation, a good deal of expense in the Printing Office, and a good deal in postage, and the mariners will get one pamphlet instead of two from the same Department.

Major CARSON. The duplication of work, of course, is inexcusable extravagance. If it can be cut off, it ought to be done. Now, the Navy Department prints that very matter of which you speak. There has been a fight in Congress ever since I have been here between the Navy Department and other Departments about the publication of maritime information. But there is no duplication in the work done by the Bureau of Manufactures and the Bureau of Statistics.

Mr. AUSTIN. Major, are you now publishing the declared export statements of the consuls?

Major CARSON. No; we are not. The declared exports were published by the Bureau of Statistics as a whole.

Mr. AUSTIN. Yes; annually.

Major CARSON. Annually. But that was discontinued two years ago.

Mr. NORTH. Don't they appear in the Commercial Relations?

Major CARSON. No; they were discontinued. They appear with the report of the consul. They will appear in the Commercial Relations, but they do not appear in consolidated form.

Mr. AUSTIN. What is your opinion as to whether they should be printed?

Major CARSON. At the time the matter was presented to me by Secretary Metcalf I concurred in the opinion that the discontinuance of the publication was advisable, for the reason that I thought that they were being printed in another form. But since then I am inclined to think the discontinuance was a mistake, and that those declared exports would be valuable to print.

Mr. AUSTIN. Where do you think they ought to be printed—in what publication?

Major CARSON. I think they ought to be printed separately. I think they ought to be made also part of the Commercial Relations, after which they could be consolidated and save composition.

Doctor HAVENNER. Major, do we not cover the entire field of declared exports in our own import statements?

Major CARSON. We do, as I said, with the Consular Reports; but if we could gather and consolidate them after that, it would be a relatively small expense.

Mr. AUSTIN. Do you mean, Major, that the annual statement of each consul of the declared exports from his district to the United States is now published in the Commercial Relations?

Major CARSON. In the Commercial Relations or in the Monthly, in whole or in part. We do not throw that material away; we use it all in some form; but it is not consolidated.

The CHAIRMAN. Is not that a duplication of work? You get the exports from various countries. That is a plain duplication, isn't it?

Major CARSON. No, Mr. Murray, it is not a duplication. Under the law the consul at a port is required to make—

The CHAIRMAN. A statement of declared exports.

Major CARSON. A statement of declared exports.

The CHAIRMAN. But we get that in the imports, do we not?

Major CARSON. No; not in consolidated form. That is why I have been led to change my opinion about the value of the consolidated report. It very frequently happens that people will inquire where certain products come from. We can take these declared exports and find out, but if we have to look through the whole universe for them it takes up a good deal of time. If in consolidated form we could find what is needed without unnecessary loss of time.

Mr. NORTH. Don't you think the declared exports appearing in your Commercial Relations ought to be edited and scrutinized by the Bureau which compiles the statistics of exports and imports?

Major CARSON. Well, they could do that; yes.

Mr. NORTH. Don't you think that is the proper place for it to be done?

Major CARSON. If you are going to put all your statistics in one place, yes.

Doctor HAVENNER. If they are going to be published at all, I think they ought to be made a part of the Commerce and Navigation.

Mr. NORTH. They certainly ought to be compiled by the Bureau that compiles the statistics of commerce and navigation.

Major CARSON. The declared exports have no value except as declared exports. You can not change the form; every statement is sworn to; it is absolutely correct. You can not edit it at all.

Mr. NORTH. You can edit typographical errors out of it.

Major CARSON. You can not take typographical errors out of figures which the consul sends you as a declaration that has been made under oath.

Mr. AUSTIN. Unless it is perfectly apparent on the face of it that it is a typewriter's blunder.

Major CARSON. Oh, yes; in transcribing figures might be reversed.

Mr. NORTH. As a matter of fact, Major, they are full of errors.

Major CARSON. Well, I don't know about that.

The CHAIRMAN. Well, now, Major, don't you know about that?

Major CARSON. No, sir. I know consuls make errors in their statements. I know that they have sent us tariff rates which were not correct, and which you would have supposed, of course, they knew all about.

Doctor HAVENNER. The matter that is being published now in the Commercial Relations and in the Consular Reports from time to time, which may be classed as declared exports, is nothing like the old volume of declared exports that listed each article exported from each consular district. They do not do that now.

Mr. NORTH. I notice that you have changed that.

Mr. AUSTIN. Do these statements which you are publishing now show, article by article, the declared exports from each district?

Major CARSON. Yes. The declared exports give every item.

Mr. AUSTIN. And these are being published now in the Commercial Relations?

Major CARSON. They are being published now in the Commercial Relations, and in the Daily and Monthly Reports.

Mr. AUSTIN. But there is no place where they are all kept together?

Major CARSON. They are not consolidated.

Mr. AUSTIN. Mr. Chairman, I want to say on this subject at some time, and, if you will pardon me, I might, perhaps, say it now, that the distinct difference between the declared export statements and our statements of imports is that the statement of declared exports shows the consular district and the city—the point at which these things originate—while we in our reports only show the country in which they originate. Frequently people want to know what we are getting from some particular house or district or manufacturing point of Europe. It is extremely essential to our manufacturers and importers to know how much we are drawing of this article or that from any manufacturing center of Europe, or from any place; and those declared export statements are the only things which we have.

Our own import statements only show the amount of these articles arriving from the entire country.

Mr. NORTH. Should they not both be compiled in the same office?

Mr. AUSTIN. I really do think that this statement of declared exports ought to be compiled and handled in the office which handles the statistics of imports and exports.

Doctor HAVENNER. I can not quite agree with that part of Mr. Austin's statement in which he says that the declared export statement showed the place of origin of the articles shipped. That, in my opinion, has been the weak point in the declared export statement. It did not show the place of origin of the goods shipped. It merely gave the point of embarkation.

Professor WILLIS. It does that now, do you mean?

Doctor HAVENNER. It always did.

Professor WILLIS. It does so now?

Doctor HAVENNER. Yes, sir.

Professor WILLIS. You mean the point of embarkation in the vessel?

Doctor HAVENNER. Yes, sir; the point exported from. It does not give the manufacturing center or place of origin.

Mr. AUSTIN. Well, it gives the consular district of origin. Of course, it sometimes happens that merchandise from another section enters that consular district.

(After further discussion:)

Mr. AUSTIN. Major Carson, just one question. The chief thing that we on the outside can see that the Bureau of Manufactures is doing is the publication of the consular reports. Now, may I ask whether, if the publication of those reports were transferred elsewhere, you would still have many other—

Major CARSON. Yes; but we would have to go to the people in charge of the publication.

Mr. AUSTIN. Then you consider them essential?

Major CARSON. I do consider them essential. I think whoever gets that publication ought to get the whole Bureau. Now, if you will let me, I would like to summarize what I have said, if I have said anything of consequence. I feel this way in regard to these two Bureaus. I have not the least doubt that if they are under the same rule, or if they were put together and coordinated in some way, it would add to economy and efficiency; but I believe that whatever may be done in that regard, they will be distinct organizations. They might be under one direction, but they would be distinct.

Mr. NORTH. Mr. Austin, you were a member of a former statistical committee whose report has been made a part of the record?

Mr. AUSTIN. Yes.

Mr. NORTH. May I ask, in this connection, if you still entertain the views expressed in that report?

Mr. AUSTIN. Of course; those views were expressed before the Bureau of Manufactures was organized.

Mr. NORTH. That is true.

Mr. AUSTIN. And I felt a little greater liberty in expressing views upon that point than I do now since the Bureau has been organized. But I have seen no reason to change my general opinion as expressed at that time.

STATEMENT OF MR. MILTON E. AILES,*Formerly Assistant Secretary of the Treasury.*

The CHAIRMAN. I have a letter from Mr. Milton E. Ailes, formerly Assistant Secretary of the Treasury, which I will read. The letter is as follows:

WASHINGTON, D. C., *November 18, 1907.*

HON. LAWRENCE O. MURRAY,

*Assistant Secretary Department of Commerce and Labor,
Washington, D. C.*

MY DEAR MR. SECRETARY: Apologizing for the long delay, which was occasioned by reasons which you understand, in making response to your courteous invitation of the 15th ultimo for an expression of my views on the question of consolidating the Bureau of Statistics with the Bureau of the Census, I have the honor to state:

When I was in the Treasury and the movement looking to the organization of the Department of Commerce and Labor was under way, the President requested the Secretary of the Treasury to designate some one from his Department to serve on a committee, the members of which were selected from the various Executive Departments which were expected to contribute bureaus to make up the organization of the proposed new Department. Secretary Shaw had me designated to represent the Treasury Department, and I did what I could at the time to overcome the natural inertia which is always encountered when the established order of things is threatened. The Treasury contributed very largely and liberally of its bureaus toward the establishment of the Department of Commerce and Labor. Many of these Treasury bureaus had for years been a part of the fiscal organization because of their supposed relation to the commerce of the country, such as, for instance, the Light-House Establishment, the Coast and Geodetic Survey, the Bureau of Immigration, the Bureau of Navigation, and the Steamboat-Inspection Service. Among the services transferred was the Bureau of Statistics.

I have never been quite satisfied that we did the right thing in advocating the transfer of this bureau, although the character of its work would seem to place it very logically under the jurisdiction of a Department whose principal function is to deal with subjects which relate to the commerce of the United States. Our misgivings at that time on this subject had reference largely to questions of administration. For the most part the figures that are used by the Bureau of Statistics are gathered by public officials, whose chief duties bring them immediately under the jurisdiction of the Secretary of the Treasury, such as collectors of customs. It was recognized then that these collectors must continue to be subject to the orders of the Secretary of the Treasury, and it was apprehended that there might be some administrative difficulties arising from a division of responsibility, in case these officers were required to perform duties partly under the direction of the head of one Department and partly under that of another. Whether these fears have been realized or not is a matter with which you are most likely familiar. The same objection was urged and considered as to the Bureau of Navigation, for collectors of customs are charged with duties as local officers in that service. The objection being purely administrative, I presume the

two Departments have overcome it by some agreement or other that has brought about harmony of action.

In going over the question which you now have before you, it has occurred to me that there is a more serious objection to the transfer of the Bureau of Statistics from the Treasury to the Department of Commerce and Labor than the administrative feature to which I have referred. The fact that the Bureau of Statistics has to do with foreign commerce and the revenue derived from imports would seem to establish its work as a part of the fiscal organization. Questions affecting the public revenues fall entirely within the province of the Treasury Department, and as the chief function of the Bureau of Statistics is to gather and arrange data relating to the revenues, I am somewhat convinced that in our eagerness to assist in the establishment of the new Department we too readily contributed a bureau which should have been kept in the Treasury.

Of course, it seems at first blush absurd to have within one Department two bureaus whose business is of a statistical character, and it looks like a duplication of bureaus to maintain them as separate parts, especially when in latter days business tendencies are in the direction of consolidation and concentration, with a view to greater economy and efficiency. But there is abundant precedent for maintaining separate divisions having to do with statistical work, and it by no means follows that because one bureau gathers information in statistical form, and arranges it so that it has a meaning, it should be consolidated with another bureau which is also engaged in the same line of work. The statistics of internal-revenue receipts are handled exclusively in the office of the Commissioner of Internal Revenue, and it is perhaps true that the officials of the Internal Revenue Bureau, who have to do with internal-revenue subjects all the year around, are more capable by reason of such constant employment in the same line of work to arrange the statistics of internal revenue than would be the officials of any other statistical bureau of the Government; and the same may be said of the statistics which are prepared under the direction of the Comptroller of the Currency relating to national banks and to those prepared under the supervision of the Director of the Mint relating to coinage and the production of the precious metals. The Bureau of Statistics of your Department really belongs to the customs. The information it prepares is largely used by the Secretary of the Treasury and the Committee on Ways and Means of the House of Representatives. The figures used are furnished by Treasury officers for Treasury purposes, and by analogy to the statistical work of other Treasury bureaus, of which instances have just been given, it seems to me the Bureau of Statistics might better have been retained in the Treasury.

Frankly I do not see exactly what benefit you may expect to bring about by consolidating this Bureau of Statistics now with the Bureau of the Census, the chief work of which is the enumeration of domestic population and production. It occurs to me that there might be times when the work of the Census would be so much heavier than usual that there would be considerable irregularity in the amount of services it would have to perform. The census of the United States is a decennial one, and so it can not be expected that the work of the Census would be the same in volume year after year. Along

about the time of the decennial census the volume must materially increase and must diminish as the task nears completion. It does not seem to me that there is any particular relation in character between the work of the two bureaus at this time, and about all that you might expect to accomplish would be to economize by doing away with the head of one bureau, for necessarily the work of the Bureau of Statistics would require under Census jurisdiction practically the same number of clerks now employed under the Bureau of Statistics. My recollection of the present chief of the Bureau of Statistics is that he is a most accomplished statistician, with large initiative and abundant executive capacity. He is at the head of a bureau which has achieved an enviable reputation for itself throughout the world, and it is known as an authority on the subjects which it handles. I dislike exceedingly to argue against the proposition you have in mind, for having had some experience in departmental work I know how difficult it is to do a new thing or to set aside an old thing which has stood so long that old-time officials are convinced in their own minds that any change, no matter what, is revolutionary. Yet I must confess that all my instincts are against the consolidation which is under discussion, and for the following reasons, briefly enumerated, I would oppose it:

1. The work of the Bureau of Statistics naturally belongs in the Treasury Department, and the Bureau should not have been transferred.

2. The Bureau of Statistics has been in existence for something like forty years, and its publications are recognized throughout the statistical world as emanating from this particular Bureau.

3. The subjects under the jurisdiction of the Bureau of Statistics are not akin to those under the jurisdiction of the Census.

4. The Bureau of Statistics is presided over at this time by an official who has achieved distinction in his work.

5. There would be little economy in the consolidation, since the force of clerks now employed by the Bureau of Statistics would necessarily have to be transferred to the Census.

Very respectfully,

M. E. AILES.

The hearings were thereupon announced closed, and the committee, at 11 o'clock a. m., went into executive session, after which it adjourned.

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